



California Public Employees' Retirement System
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January 15, 2016

Phyllis C. Borzi
Assistant Secretary
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitutional Avenue, NW
Washington, DC 20210

Dear Ms. Borzi,

Re: RIN 1210-AB71 Savings Arrangements Established by States for Non-Governmental Employees

The California Public Employees' Retirement System (CalPERS) believes that inadequate financial preparation for retirement is a growing national concern, and that all employees should have effective means to pursue retirement security. Currently, nearly 68 million private sector workers in the United States do not have access to an employer sponsored retirement plan. In California, less than half (45 percent) of private sector workers age 25-64 work for an employer who sponsors a retirement plan. To address this crisis, several states, including California, are in the process of developing retirement savings programs for private sector workers.

With the enactment of the Secure Choice Retirement Savings Program in 2012, California embarked on an ambitious, state-run, retirement program for private sector workers. According to the law, however, the program cannot be implemented if it is determined that it is an employee benefit plan under the federal Employee Retirement Income Security Act (ERISA). In response to this ERISA issue as well as additional questions from other states interested in pursuing similar retirement plans, and in an attempt to advance secure choice-styled retirement programs for private sector workers across the nation, the United States Department of Labor released a proposed rule in November. The rule would create a safe harbor from ERISA for retirement programs with the same basic attributes as the California Secure Choice Retirement Savings Program.

CalPERS supports the Department of Labor's efforts to create a safe harbor under ERISA. The proposed rules align with our belief that all employees should have effective means to pursue retirement security. CalPERS encourages the Department of Labor to continue working with California Secure Choice and other state payroll deduction savings programs to ensure these rules meet their programs' needs in providing retirement savings opportunities.

Thank you for the opportunity to provide comments. We commend your leadership and determination to support state efforts in providing retirement savings opportunities to nearly 68 million workers in the United States.

If you have questions or if there is technical support that CalPERS may be able to offer, please contact me at 916-795-3829.

Respectfully,

A handwritten signature in cursive script that reads "Anne Stausboll".

ANNE STAUSBOLL
Chief Executive Officer

cc: Members, CalPERS Board of Administration