



Important Information on OregonSaves Program for Business Owners

- HB 2960 became **Oregon Law** in 2015. This law created a state-administered, mandatory participation retirement program called *OregonSaves*.
- All companies who do not already offer a qualified retirement plan are **required to participate**.
- Implementation **begins in July 2017**, starting with companies that employ >100 people.
- The program will be **phased in** over 28 months. By November 2019, companies that employ even one person will be required to participate.
- Participating companies will have an **education and administration requirement**.
- The program will be implemented via a payroll deduction, and withdraws post-tax income from the employee's pay check for deposit into an individual **Roth IRA** account for the employee.
- IRS contribution limits for a Roth IRA are:
 - **\$5,500 if employee is <50 years old**
 - **\$6,500 if employee is >50 years old**
- Auto-enrollment starts at **5% of gross pay** for the employee.
- The deduction percentage **auto-increases by 1% per year to a cap of 10%**.
- **The employee may opt out** of the program or adjust the deduction up or down through an active administration step.
- The **first \$1,000** of deposits automatically goes into a **capital preservation fund**.
- **After the first \$1,000**, the funds will auto-deposit into a **target-based fund** determined by the employee's age.
- The **employer does not have a fiduciary responsibility** for the program.

More information can be found on the Oregon State site:
<http://www.oregon.gov/retire/Pages/index.aspx>