



FACTS ABOUT OREGONSAVES



Overview

Oregon has established an auto-IRA program that requires employers without a retirement plan to automatically enroll their workers, who are allowed to opt out. Oregon was the first state to go “live” with its program, in July 2017. It is scheduled to complete its rollout in January 2021. This relatively long rollout period is due to the broad coverage of the program, as the OregonSaves’ mandate covers all employers, while other states exempt smaller employers.

Oregon currently has 6,038 participating employers and 74,333 worker accounts (see Table 1). As it was the first program to start up, it currently has the most assets and participants of the state auto-IRAs.

TABLE 1. OVERVIEW OF OREGONSAVES

Design	Target	Status (as of September 30, 2020)
⇒ Mandated for all employers without a retirement a plan	⇒ Rollout to employers in progress	⇒ 6,038 employers able to process payroll contributions
⇒ 5% default contribution rate, with auto-escalation of 1 ppt per year up to 10%	⇒ Rollout to workers in progress	⇒ 74,333 workers with a funded account
⇒ Annual penalty of \$100 per eligible employee, up to \$5,000	⇒ Rollout to be completed by January 2021	⇒ \$69.2 million in assets

Sources: CRR calculations from Massena Associates (2020).

Employers

Over 6,000 employers in Oregon have set up their payroll systems to process deductions to OregonSaves (see Table 2 on the next page), but this number will grow as the rollout continues. Unlike California and Illinois, where smaller employers are not subject to the mandate, all employers that do not offer a plan in Oregon are required to participate. As a result, Oregon could register up to 49,000 employers by its deadline of January 2021.

Employers subject to the mandate that do not comply must pay an annual fine of \$100 per eligible employee, up to a maximum of \$5,000. Beyond employers subject to the mandate, Oregon is working with employers that do offer a retirement plan to cover their ineligible workers and is also encouraging self-employed workers to sign up for OregonSaves.

TABLE 2. NUMBER OF OREGONSAVES EMPLOYERS WITH PAYROLL SET UP, BY QUARTER

Quarter	Employers
2019-Q4	4,243
2020-Q1	N/A
2020-Q2	5,720
2020-Q3	6,038

Sources: Oregon Retirement Savings Board (2019); Bellbase, Quinby, and Sanzenbacher (2020); and Massena Associates (2020).

Employees

To date, the number of employees with assets in OregonSaves has reached about 74,000. Given the longer period that the program has been in existence, account balances are higher than in California and Illinois. While only about 30 percent of eligible workers have chosen to opt out of participating based on the most recently reported data, it is important to note that the participation rate is not necessarily equal to one minus the opt-out rate (see Table 3). (For more discussion on participation rates in state auto-IRA programs, see [Quinby et al. \(2019\)](#).)

TABLE 3. SELECTED OREGONSAVES EMPLOYEE OUTCOMES, BY QUARTER

Quarter	Number of accounts (with balances)	Average account balance	Reported opt-out rate ^{a,b}
2019-Q4	59,000	\$695	28%
2020-Q1	N/A	N/A	28
2020-Q2	70,054	830	28
2020-Q3	74,333	930	28

^a The participation rate is not necessarily equal to one minus the opt-out rate. For more discussion on participation rates, see [Quinby et al. \(2019\)](#).

^b The reported opt-out rate for Oregon in this table represents the last officially reported number, which is from the fourth quarter of 2018.

Sources: Oregon Retirement Savings Board (2018, 2019); Massena Associates (2020); and publicly available news and research reports (2020).

Assets

The program, which is intended to eventually become financially self-sufficient, had assets under management of \$69.2 million by the end of September 2020 (see Table 4 on the next page). To pay for its operating costs, OregonSaves charges an annual fee of approximately 1 percent on program assets.

TABLE 4. ASSETS IN OREGON SAVES, BY QUARTER

Quarter	Assets (in millions)
2019-Q4	\$41.0
2020-Q1	N/A
2020-Q2	58.2
2020-Q3	69.2

Sources: Oregon Retirement Savings Board (2019); Massena Associates (2020); and publicly available news and research reports (2020).

Related link: [OregonSaves program website](#)

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