



# FACTS ABOUT OREGONSAVES



## Overview

Oregon's auto-IRA program requires employers without a retirement plan to auto-matically 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 6,531 participating employers and 87,909 worker accounts (see Table 1). As it was the first program to start up, it currently has the most assets and participants.

TABLE 1. OVERVIEW OF OREGONSAVES

Design	Rollout	Status (as of December 31, 2020)
⇒ Mandated for all employers without a retirement a plan	⇒ Rollout to employers in progress	⇒ 6,531 employers facilitating payroll contributions
⇒ 5% default contribution rate, with auto-escalation of 1 ppt per year up to 10%	⇒ Rollout to workers in progress	⇒ 87,909 workers with a funded account
⇒ Annual penalty of \$100 per eligible employee, up to \$5,000	⇒ Rollout to be completed by January 2021	⇒ \$84.7 million in assets

Sources: Oregon Retirement Savings Board (2020).

## Employers

So far, 6,531 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.

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 also encouraging self-employed workers to sign up for OregonSaves.

TABLE 2. NUMBER OF OREGONSAVES EMPLOYERS WITH PAYROLL SET UP

Period	Employers
2020-Q1	N/A
2020-Q2	5,720
2020-Q3	6,038
2020-Q4	6,531

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

## Employees

To date, the number of employees with assets in OregonSaves has reached about 88,000. Given the longer period that the program has been in existence, account balances are higher than in California and Illinois. The first \$1,000 in contributions is defaulted into a money market fund; contributions above this amount are defaulted into a target date fund. About one-third of eligible workers have chosen to opt out of participating (see Table 3).

TABLE 3. SELECTED OREGONSAVES EMPLOYEE OUTCOMES

Period	Number of accounts (with balances)	Average account balance	Reported opt-out rate <sup>a</sup>
2020-Q1	N/A	N/A	N/A
2020-Q2	70,054	\$830	N/A
2020-Q3	74,333	930	34%
2020-Q4	87,909	964	34

<sup>a</sup>The participation rate is not necessarily equal to one minus the opt-out rate. See [Quinby et al. \(2019\)](#).

Sources: Oregon Retirement Savings Board (2020); 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 \$84.7 million by the end of December 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

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Period	Assets (in millions)
2020-Q1	N/A
2020-Q2	\$58.2
2020-Q3	69.2
2020-Q4	84.7

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

### Related links:

[OregonSaves performance dashboards \(Office of the State Treasurer\)](#)

[OregonSaves program website](#)

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