



# FACTS ABOUT OREGONSAVES



## Overview

Oregon's auto-IRA program requires employers without a retirement plan to auto-atically enroll their workers, who are allowed to opt out. Oregon was the first state to go "live" with its program, in July 2017.

Oregon currently has 7,291 participating employers and 104,709 worker accounts (see Table 1). As it was the first program to start up, it currently has the most assets.

TABLE 1. OVERVIEW OF OREGONSAVES

| Design   | Rollout  | Status<br>(as of March 31, 2021)                     |
|--|--|--|
| ⇒ Mandated for all employers without a retirement a plan                         | ⇒ Rollout to employers in progress   | ⇒ 7,291 employers facilitating payroll contributions |
| ⇒ 5% default contribution rate, with auto-escalation of 1 ppt per year up to 10% | ⇒ Rollout to workers in progress   | ⇒ 104,709 workers with a funded account              |
| ⇒ Annual penalty of \$100 per eligible employee, up to \$5,000                   | ⇒ Registration deadline has passed, but some firms have yet to set up payroll deductions | ⇒ \$99.1 million in assets                           |

Sources: Oregon Retirement Savings Board (2021).

## Employers

So far, 7,291 employers in Oregon have set up their payroll systems to process deductions to OregonSaves (see Table 2 on the next page). Unlike California, where not all employers are required to register for the program yet, Oregon (and Illinois) currently require all employers subject to the mandate to be registered. At this point, not all firms that have registered have completed setting up their payroll systems. All employers that do not offer a plan in Oregon are required to participate, in contrast to California and Illinois (where smaller employers are not subject to the mandate).

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-Q2 | 5,720     |
| 2020-Q3 | 6,038     |
| 2020-Q4 | 6,531     |
| 2021-Q1 | 7,291     |

Sources: Oregon Retirement Savings Board (2021); Belbase, Quinby, and Sanzenbacher (2020); and Massena Associates (2020).

## Employees

To date, the number of employees with assets in OregonSaves has reached about almost 105,000. 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-Q2 | 70,054                             | \$830                   | N/A                                |
| 2020-Q3 | 74,333                             | 930                     | 34%                                |
| 2020-Q4 | 87,909                             | 964                     | 34                                 |
| 2021-Q1 | 104,709                            | 947                     | 33                                 |

<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 (2021); 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 \$99.1 million by the end of March 2021 (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-Q2 | \$58.2               |
| 2020-Q3 | 69.2                 |
| 2020-Q4 | 84.7                 |
| 2020-Q1 | 99.1                 |

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Sources: Oregon Retirement Savings Board (2021); 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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