

OregonSaves – MANDATORY FOR OREGON BUSINESSES

OregonSaves is a retirement savings program sponsored by the state of Oregon, facilitated by employers and funded by employee investments via payroll deductions. OregonSaves is a Roth IRA retirement account with automated enrollment. Employee participation is completely voluntary, and money in workers' accounts is 100 percent fully vested and portable if they change jobs.

Standard elections:

- 5 percent of employees' gross pay is contributed to a Roth IRA.
- Automatic annual 1 percent increase until savings rate reaches 10 percent.
- Employees' first \$1,000 will be invested in the OregonSaves Capital Preservation Fund.
- Savings over \$1,000 will be invested in an OregonSaves Target Retirement Fund based on an employee's age.

Employees have a choice of investment options, and employees may change their automatic contribution rate or opt out of the program at any time. Federal IRA limits apply.

Why are Oregon and other states sponsoring their own retirement plans?

America faces a retirement crisis, as many people find themselves financially unprepared for their non-working retirement years. In response, states such as Oregon have begun establishing their [own retirement plans](#).

In a [2015 report](#), the National Institute on Retirement Security (NIRS) found that the average working U.S. household has virtually no retirement savings. NIRS research reveals a median retirement account balance of \$2,500 for all working-age households and \$14,500 for near-retirement households. In addition, 62 percent of households age 55-64 hold less than a year's worth of income, far below what's needed to maintain their standard of living in nonworking years. Financial experts [recommend](#) that by age 67, a worker should have between five and eight times their annual salary saved for retirement.

How do businesses register for OregonSaves?

Businesses with 10 to 19 employees should have received an email from the Oregon Retirement Savings Board to register for the OregonSaves Program or certify that they are exempt because they have their own retirement plans. The program is rolling out in phases, starting with larger employers. Deadlines for businesses with 100 or more employees, 50 to 99 employees, and 20 to 49 employees have passed. Upcoming employer deadlines are:

- **10 to 19 employees: May 15, 2019 (deadline has passed)**
- 5 to 9 employees: Nov. 15, 2019
- 4 or fewer employees: May 15, 2020

Employers are responsible for acting within the program deadlines for businesses of their size.

How many people participate in the OregonSaves program?

As of Dec. 31, 2018, OregonSaves has nearly 81,000 private-sector workers that lacked access to employer-sponsored retirement plans who have been entered into the program. Of those, 47,000 have enrolled, with about 23,000 contributing and another 17,000 pending for various reasons. The employee opt-out rate is 21 percent. Administrators anticipate that nearly one million Oregon workers will have access to the savings plan by the end of 2020.

Do businesses have to use the state-sponsored program?

No. Registering for the OregonSaves program is one way to fulfill the requirement that every employed Oregonian have access to a retirement plan. Businesses can also establish their own employee retirement plan, such as a 401(k) or SIMPLE IRA, to satisfy this requirement. You should consider all available options before making a decision.

Reference for this article:

<https://www.paychex.com/articles/employee-benefits/oregon-saves-deadline-approaching-consider-options>

How do employees opt out if they do not want retirement plan withheld from their paychecks?

OregonSaves is a completely voluntary program. You can opt out at any time online, by phone, or by completing this form. If you do not opt out your employer will send payroll contributions to your OregonSaves account. Amounts you save in this account are always your money. Your account is in your control and goes with you from job to job in accordance with the OregonSaves Program terms.

FOR EMPLOYEES THAT WISH TO OPT OUT OF THE OREGON SAVINGS PLAN (See the LINK below):

https://cdn.unite529.com/jcdn/files/ORERv2/pdfs/OR_optout.pdf