



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.

To date, Oregon has 4,243 participating employers and 70,000 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 June 30, 2020)
⇒ Mandated for all employers without a retirement a plan	⇒ 49,000 employers ^a	⇒ 4,243 employers able to process payroll contributions ^{b,c}
⇒ 5% default contribution rate, with auto-escalation of 1 ppt per year up to 10%	⇒ 0.8 million workers ^{a,b}	⇒ 70,000 workers with a funded account
⇒ Annual penalty of \$100 per eligible employee, up to \$5,000	⇒ Rollout to be completed by January 2021	⇒ \$58 million in assets

^a The targets are CRR estimates designed to reflect the OregonSaves mandate. The estimates are based on 2017 data on the number of employers and workers from the *Statistics of U.S. Businesses* and 2018 data on retirement plan coverage from the *National Compensation Survey* and the *Current Population Survey*.

^b These workers represent an estimated 71 percent of all uncovered workers in Oregon. The remaining uncovered workers include those whose firms are not covered by the mandate and the self-employed.

^c Data as of December 31, 2019.

Sources: CRR calculations from U.S. Census Bureau, *Current Population Survey* (2018); *National Compensation Survey* (2018); *Statistics of U.S. Businesses* (2017); and data from Oregon Retirement Savings Board (2019); Belbase, Quinby, and Sanzenbacher (2020); and Massena Associates (2020).

Employers

So far, 4,243 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 program continues to roll out. 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.

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

Quarter	Employers
2019-Q3	3,271
2019-Q4	4,243
2020-Q1	N/A
2020-Q2	N/A

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

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.

Employees

To date, the number of employees with assets in OregonSaves has reached 70,000. 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-Q3	50,809	\$617	28%
2019-Q4	59,000	695	28
2020-Q1	N/A	N/A	28
2020-Q2	70,000	829	28

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

^bThe 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 \$58 million by the end of June 2020 (see Table 4). To pay for its operating costs, OregonSaves charges an annual fee of approximately 1 percent on program assets.

TABLE 4. ASSETS IN OREGONSAVES, BY QUARTER

Quarter	Assets (in millions)
2019-Q3	\$31.4
2019-Q4	41.0
2020-Q1	N/A
2020-Q2	58.0

Source: Oregon Retirement Savings Board (2019); Mas-sena Associates (2020); and publicly available news and research reports (2020).

Related link: [OregonSaves program website](#)

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