



CALIFORNIA STATE TREASURER JOHN CHIANG

# NEWS ADVISORY

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Contact: [Marc Lifsher](#)  
916-653-2995

## Treasurer Chiang Hails Passage of Retirement Security Bill as Landmark Achievement for California

*SB 1234 Now Heads to Governor's Desk*

**SACRAMENTO** – State Treasurer John Chiang today hailed passage of SB 1234 as a landmark achievement providing millions of Californians with greater protection from an impoverished retirement.

“Secure Choice is the most significant step forward toward the goal of providing all Californians with a dignified retirement since the establishment of Social Security in 1935.

Once signed into law, SB 1234 will set in motion an ambitious plan that will hopefully protect many future retirees from today’s all-too-real scenario of whether to spend their meager retirement draw on food or rent.”

Chiang chairs the California Secure Choice board that oversaw the program’s design. That design is based on more than a year of rigorous analysis, which concluded implementation is financially and legally viable.

The Treasurer thanks Senate President Pro Tem Kevin de León for successfully shepherding the bill through the Legislature.

Secure Choice now heads to Governor Jerry Brown’s desk. Once signed, it will take effect in January 2017.

“Regardless of socioeconomic status, the hard-working people of California who have made our state a global economic powerhouse deserve a measure of financial security in their Golden Years,” said de León. “This will benefit our current workers and younger generations who will finally have an easy and reliable way to save for the future.”

Businesses with five or more employees that do not provide their own pension, 401(k) plan or similar retirement program will be required to offer the Secure Choice plan. The plan enables participation through payroll contributions. However, employees will have the option to opt out of the benefit. The program will be self-sustaining through participant fees and will impose a minimal cost to employers and no cost to taxpayers.

California's retirement plan has been endorsed by the editorial boards of newspapers across the country, including the [Los Angeles Times](#), [New York Times](#) and [The Sacramento Bee](#).

For more news, please follow the Treasurer on Twitter at [@CalTreasurer](#), and on Facebook at [California State Treasurer's Office](#).

### **What people are saying about SB 1234:**

"SEIU is proud to have worked alongside Senate President pro Tempore Kevin de León to advance SB 1234 to Governor Brown's desk. Our members championed this bill in the Capitol and in communities across California because every Californian who works hard over a lifetime deserves the opportunity to retire with a basic level of dignity. With Governor Brown's signature on SB 1234, California will strike a significant blow against an epidemic of senior poverty and lift up those people most at risk: our state's women, people in low-wage jobs, and people of color."

*--Yvonne R. Walker, President, SEIU Local 1000*

"We thank the members of the California State Assembly who joined their Senate counterparts in voting for SB 1234. We are moving one step closer to making sure the two-thirds of Californians who have been closed off to retirement savings accounts, finally get to open that door and access a simple way to build their assets over time. Secure Choice California would help make it easier for people to save and build up economic security."

*--Blanca Castro, AARP California Director of Advocacy*

"Despite facing a harsh economic landscape with declining wages, Millennials know the value of retirement savings and are eager to contribute to a plan. A recent poll we conducted found that over three-quarters of Millennial workers with access to an employer-sponsored retirement plan are making consistent personal contributions. Yet in California, 6.8 million private-sector employees currently lack access to employer-sponsored retirement plans, including 68 percent of Latino workers and 53 percent of African American workers. Work & Save legislation would meaningfully help set up young adults for financial security, and would be an important step in working towards a more equitable future."

*Gustavo Herrera, Western Regional Director of Young Invincibles.*

"For many small businesses, retirement plans are out of reach because of complicated paperwork, financial liability and high costs. Secure Choice eliminates these barriers and helps small businesses offer retirement plans to their workers without forcing them to foot the bill. This is a great step toward a more level playing field for small employers in California."

*--Mark Herbert, California Director of Small Business Majority*

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