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NOVEMBER 19, 2024

AGENDA ITEM 6  
ACTION ITEM

CALSAVERS RETIREMENT SAVINGS BOARD

*Resolution 2024-04: Approval to extend Agreement No. CSCRSIB07-17A with Program Administrator Ascensus College Recordkeeping Services, LLC*

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***Summary***

The CalSavers Retirement Savings Board (“Board”) will consider approving the extension of Agreement No. CSCRSIB07-17A with Program Administrator Ascensus College Recordkeeping Services, LLC (“Ascensus”).

***Background***

On August 16, 2018, the Board approved the selection of Ascensus to provide program administrator services for the CalSavers Retirement Savings Program (“Program”) via agreement CSCRSIB07-17A. The term of the agreement is seven years through November 30, 2025, plus three one-year options to extend at the Board’s discretion.

The program administrator Ascensus (i) implemented and manages a Program for California employees who lack access to employer-provided, tax-favored retirement plans, (ii) designed simple and efficient enrollment and opt-out processes, (iii) offers individual retirement account (“IRA”) expertise and resources, (iv) provides a comprehensive marketing strategy to reach employers and employees, (v) provides seamless administration, recordkeeping and compliance, and (vi) provides or otherwise enables the State to provide responsive, accessible, and culturally competent customer service, all at the lowest possible cost to participants.

The agreement took effect on August 16, 2018, and is set to expire on November 30, 2025, unless the Board exercises its option to extend. The agreement is considered a zero-dollar contract because the Board makes no payments to Ascensus. Ascensus earns revenue by collecting fees from each participant according to the terms of the agreement. An extension of the agreement would come at no additional cost to the Board and would not change the nature of the fee structure.

Summary of fee structure

1. Core Participant Fees	0.25% of assets + \$18 annual account fee <sup>1</sup> → \$17 at 550,000 accounts
4. Fee for participants receiving paper statements, disclosures	\$5
5. Fee for paper checks	\$5

***Recommendation***

Staff recommend the Board approve Resolution 2024-04: Extension of Agreement No. CSCRSIB07-17A with Ascensus College Recordkeeping Services, LLC for Program Administrative Services by one year, to November 30, 2026.

***Attachments***

- Attachment 6A: Resolution 2024-04: Extension of Agreement No. CSCRSIB07-17A with Ascensus College Recordkeeping Services, LLC for Program Administrative Services

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<sup>1</sup> The \$18 annualized account fee would be charged on a quarterly basis in arrears and no fee would be charged within the first 90 days of a participant's funding activity.