savingsplus
PLAN PROFILE

Plan: California Savings Plus
401(k) pre-tax and Roth
457(b) pre-tax and Roth

Participants: 262,110 **Assets:** $27.1B
Administrator: Nationwide **Investment Consultant:** Callan
Initiative: Transforming Retirement Security through Employer Bargained Auto Enrollment

EXECUTIVE SUMMARY

In 2023, the State of California confronted a critical but largely unaddressed reality: tens of thousands of correctional officers were advancing through their careers without a clear or consistent path to long-term financial security. Closing this gap required more than incremental plan enhancements, it demanded a fundamental rethinking of how retirement participation begins.

For Bargaining Unit 6 (BU6) employees, covering the California State Correctional Peace Officers and related personnel, the challenge was especially acute. Structural constraints limit their ability to build retirement income through traditional sources, , as the safety employment is not social security covered, combined with physically demanding roles that often result in shorter career tenures, compressing the time available to save while increasing reliance on supplemental defined contribution plans. At the same time, California's high cost of living compounds financial pressure, making it difficult for employees to prioritize voluntary contributions early in their careers, when they matter most.

In response, the California Savings Plus Program partnered with BU6, the state's second largest bargaining unit, to architect and deliver a first-of-its-kind solution: an automatic enrollment framework powered by employer-funded contributions. This innovative design tackled two persistent barriers simultaneously. It navigated longstanding legal and structural limitations that prevent traditional auto-enrollment, creating the requirement that auto enrollment must be initiated through collectively bargaining agreements, while also removing the need for employees to self-fund their entry into the system. By introducing automatic employer contributions at the moment of employment, the program created an immediate, tangible financial benefit, shifting participation from a deferred decision to an embedded advantage and ensuring employees begin building retirement assets from day one.

Execution required unprecedented coordination, spanning union negotiations, multi-agency alignment, new administrative infrastructure, and large-scale participant outreach. The result was a seamless, statewide launch in November 2024.

By 2025, the impact is both measurable and meaningful:

- **$41.3M** in employer contributions delivered
- **29,386** participant accounts funded
- **18,306** participants actively contributing their own salary deferrals
    - **$147** average increase amount
    - **$290** average starting deferral amount
- **$2.1M** in incoming rollovers
- Nearly **29,000** employees automatically enrolled at launch

Beyond scale, the initiative catalyzed lasting behavioral change. Thousands of participants who had never previously engaged in retirement savings began contributing, increasing deferral rates, and consolidating assets, setting a stronger foundation for long-term financial security.

This initiative did more than implement a new feature, it redefined how retirement readiness is delivered to a critical workforce. It also established a scalable, repeatable model now expanding across additional bargaining units.

This was not simply a plan enhancement. It was a systemic reinvention of how participation begins, and how financial futures are secured.

BACKGROUND

Public safety employees in the State of California covered under the California Public Employees' Pension Reform Act (PEPRA) are navigating a retirement landscape that is increasingly complex and demanding. With full retirement ages pushed higher and many employees planning to retire between ages 55 and 60, traditional pension benefits alone may no longer provide the level of security that earlier generations relied upon. This shift has made defined contribution savings an essential pillar of long-term financial well-being. As a result, today's PEPRA employees must not only adapt to evolving benefit structures but also take a more proactive role in building supplemental savings—requiring greater financial awareness, disciplined planning, and long-term adaptability.

At the same time, California's high cost of living amplifies the financial pressure on this workforce, making early and consistent retirement savings not just beneficial, but essential to long-term security.

Yet historically, participation in supplemental retirement programs depended entirely on individual action. Employees were required to opt in, set contribution rates, and make investment decisions on their own. For Bargaining Unit 6 members, whose roles are extremely stressful, demanding, time-intensive, and often unpredictable, the barrier was rarely a lack of intent. It was a combination of limited time, system complexity, and limited access at the moments that matter most.

Layered onto this challenge was another critical factor: absence of an employer-funded entry point. Without an immediate, tangible benefit, many employees deprioritized enrollment in favor of more immediate financial needs. Behavioral research consistently shows that individuals are far more likely to engage when there is a visible employer commitment, especially one that creates an immediate financial impact.

The absence of both automatic enrollment and employer contributions created a compounding effect: delayed participation, lower account balances, and missed years of compounded growth for a workforce that could least afford it.

The result was a structural gap: a population with an elevated need for supplemental savings, but a system that placed both the burden of initiation and the initial financial sacrifice squarely on the employee.

When retirement systems rely on individuals to take the first step—and fund that step themselves, participation gaps persist, and those with the greatest constraints fall furthest behind.

This reality prompted a fundamental shift in approach. Rather than asking employees to navigate into the system, the system itself would evolve to meet them. By pairing automatic enrollment with employer-funded contributions, the program removed the two largest barriers simultaneously: the friction of getting started and the financial hesitation to begin. Participation was no longer a decision delayed—it became a benefit delivered.

GOALS

The initiative was designed with a dual mandate: to deliver immediate impact while fundamentally reshaping long-term retirement behavior for BU6 employees.

- **Dramatically increase participation** by removing traditional enrollment barriers and embedding automatic entry into the system
- **Establish employer-funded contributions as the foundation for retirement savings**, ensuring every participant begins building assets from day one, regardless of their ability to contribute, and compensating for structural gaps such as limited Social Security benefits and shorter career horizons
- **Trigger early and sustained engagement** by using employer contributions as a catalyst for voluntary behavior, including increased salary deferrals, active investment decisions, and asset consolidation
- **Eliminate the "all-or-nothing" participation hurdle**, where employees historically had to commit their own pay to get started, by replacing it with an immediate, tangible financial benefit that reinforces the value of participation
- **Deliver a seamless, large-scale implementation** across complex state, union, and administrative systems without disrupting employee experience
- **Create a scalable, repeatable model** that can be extended across additional bargaining units and populations facing similar structural challenges

Importantly, the objective extended beyond driving initial enrollment. The true measure of success was sustained behavioral change, transforming passive participants into active savers and embedding retirement readiness as a continuous, system-driven experience rather than a one-time decision.

TIMELINE

2023 – Foundation & Negotiation
The initiative began with a critical alignment phase, engaging BU6 leadership, CalHR, and key state partners to address a long-standing gap in retirement readiness. Early discussions quickly revealed that traditional auto-enrollment models would not be viable within existing legal and structural constraints. In response, the team pivoted toward a new approach, one that would integrate employer-funded contributions as the cornerstone of participation. Throughout 2023, stakeholders worked in tandem to design this framework, ensuring it not only overcame regulatory barriers but also directly addressed the financial realities facing BU6 employees. This phase culminated in broad cross-agency alignment around a model that embedded both access and immediate value into the retirement experience.

Early–Mid 2024 – Design & Build
With the framework established, the focus shifted to translating vision into infrastructure. The employer-funded contribution was formally codified within the BU6 agreement, establishing it as a guaranteed benefit and foundational entry point into the program. Significant effort was dedicated to building the operational backbone required to support this new model, including eligibility tracking, payroll integration, contribution processing, and reporting capabilities. Close coordination with the State Controller's Office and internal teams ensured accuracy and scalability. At the same time, a comprehensive communication and education strategy was developed to help participants understand not just *how* the program worked, but *why* the employer contribution represented a meaningful financial advantage from day one.

July–October 2024 – Testing & Readiness
In the months leading up to launch, the program underwent rigorous validation to ensure seamless execution at scale. Multi-scenario system testing was conducted across agencies to confirm the accurate and timely

delivery of employer contributions alongside participant enrollment. More than 300 HR and payroll professionals were trained to support implementation, ensuring consistency and readiness across the state. Concurrently, a robust outreach campaign, including workshops, digital education, and targeted communications, prepared employees for what would be a fundamentally different enrollment experience: one where participation began automatically and was immediately reinforced by employer-funded savings.

November 2024 – Implementation
The program was successfully launched statewide, automatically enrolling nearly 29,000 participants in a single, coordinated event. At the point of entry, employer-funded contributions were deployed, instantly transforming enrollment from a passive administrative action into a meaningful financial milestone. This moment marked a decisive shift, from a system requiring employee initiation to one that proactively delivered value and established early momentum in retirement savings.

2025 – Expansion & Engagement
Following implementation, the focus turned to deepening engagement and measuring impact. Employer contributions continued to serve as a catalyst for participant behavior, driving increased voluntary deferrals, higher savings rates, and asset consolidation. Ongoing analysis confirmed that the model was not only increasing participation but sustaining long-term behavioral change. With proven success, discussions began to expand this employer-funded, auto-enrollment framework to additional bargaining units, positioning it as a scalable solution for broader workforce retirement readiness.

INITIATIVE DESCRIPTION

At a surface level, this initiative resembles auto-enrollment. In practice, it required fundamentally redefining how auto-enrollment could function within the State of California.

Traditional auto-enrollment models depend on automatic payroll deductions, an approach that, within California, faces significant legal, regulatory, and cultural barriers. Longstanding policies and sensitivities surrounding wage garnishment make default salary deferrals difficult to implement without legislative action, effectively limiting the applicability of conventional solutions.

Rather than allowing these constraints to stall progress, Savings Plus reimagined the model entirely.

The result was a first-of-its-kind design: participants are automatically enrolled, but instead of requiring immediate payroll deductions, the program begins with **employer-funded contributions**. This shift transformed the entry point into retirement savings, from one that asked employees to give something up, to one that immediately delivers value.

When traditional auto-enrollment wasn't possible, the strategy was not to pause, but to redesign.

This approach fundamentally changed the participation dynamic:

- It **eliminated legal and operational barriers** tied to automatic wage deductions
- It **replaced friction with immediate benefit**, giving participants a tangible financial asset from day one
- It **leveraged employer contributions as a behavioral catalyst**, encouraging participants to transition from passive enrollment to active saving through voluntary deferrals

Just as importantly, the employer-funded structure addressed the unique realities of the BU6 workforce. By removing the need for an upfront employee contribution, the model ensured that even those facing financial constraints, or operating within compressed career timelines, could begin building retirement assets immediately, capturing critical early years of growth that would otherwise be lost.

Delivering this model required building entirely new capabilities across the state's retirement infrastructure. Key components included:

- Development of new eligibility frameworks and contribution structures to support employer-funded entry
- Integration across multiple systems, including payroll, HR, and plan administration
- Creation of robust reporting and monitoring processes to ensure accuracy, transparency, and accountability
- Extensive multi-scenario testing to validate performance and scalability across agencies

Equally critical to success was participant engagement. Savings Plus executed a comprehensive outreach strategy, delivering more than 130 workshops alongside multi-channel communications to ensure participants not only understood the benefit, but recognized the immediate value of the employer contribution and how to build upon it. This ensured the program was not experienced as automatic in name only, but as meaningful in impact.

The initiative intentionally launched with BU6, the state's largest bargaining unit and one actively engaged in negotiations, not as a pilot, but as proof. Rather than starting small, the program launched at scale, demonstrating that even the most complex workforce environments can successfully transition to a new model of retirement participation.

Today, that proof point has become a platform. The success of the employer-funded auto-enrollment model has established a scalable, repeatable framework, one now being actively expanded across additional bargaining units and positioned to redefine retirement readiness for a broader population.

RESULTS

This initiative did not simply increase participation, it fundamentally changed how a workforce engages with retirement saving, delivering immediate scale, measurable financial impact, and sustained behavioral transformation.

Implementation Results (2024):

- Nearly **29,000** participants automatically enrolled in a single, coordinated launch
- **$13.2 million** in employer contributions deployed immediately ensuring every participant began with a funded account, not just an enrollment status

Ongoing Results (2025):

- Over **$28.0 million** in total employer contributions delivered
- **29,386** participant accounts actively receiving contributions
- **18,306** participants contributing their own salary deferrals
- More than **$2.1 million** in incoming rollovers, signaling increasing participant trust and consolidation of retirement assets

Behavioral Impact:
What sets this initiative apart is not just how many participants entered the system, but how they responded once inside it.

- Participants didn't remain passive, they **acted**. Among those who engaged, the average starting deferral was **$290**, representing a meaningful and intentional financial commitment from the outset.

- That commitment didn't stall, it **accelerated**, with an average **increase of $147** in contribution amounts, signaling sustained engagement beyond initial enrollment.
- When paired with the average employer-funded contribution (approximately **$1,400 per participant** based on total distributions), participants are effectively starting their savings journey with nearly **$4,900 in combined annual contributions**, a powerful foundation for long-term growth.
- At an assumed **8% annual growth rate**, this equates to over **$5,200 in value after just the first year alone**, and more than **$15,500 over 15 years from a single year's combined contributions**. When sustained annually, this behavior compounds dramatically: participants maintaining similar contribution levels can generate **over $130,000–$150,000 in additional retirement assets over a 25-year horizon**, underscoring why establishing participation early, paired with employer funding—fundamentally changes lifetime financial outcomes by capturing years of growth that would otherwise be permanently lost.
- Thousands of employees who had never previously participated in retirement savings began contributing, effectively closing long-standing participation gaps.
- Participants actively **consolidated external assets**, reinforcing long-term intent and deeper financial engagement.

Perhaps most importantly, the program created a **pipeline of future savers**. Today, more than **11,000 participants** are receiving employer contributions but have not yet begun contributing themselves. In a traditional model, these individuals might never have entered the system. Here, they are already accumulating assets, positioned to convert at any time, without needing to overcome the initial barrier to entry.

This is the defining breakthrough: by removing the requirement for employees to fund their own starting point, the program didn't just increase participation, it **expanded the population capable of participating at all** and accelerated their path to meaningful savings behavior.

The results prove that when you combine automatic access with immediate financial value, participation doesn't just begin, it compounds.

The true measure of success was never enrollment alone; it was the sustained actions that followed. And in this case, those actions are reshaping financial outcomes.

FEASIBILITY

This initiative demonstrates not only success, but repeatability at scale, establishing a new, practical model for public sector retirement systems navigating similar structural constraints.
Its success was not incidental; it was built on a disciplined and transferable set of design and execution principles:

- **Early and sustained union partnership**, ensuring the solution was co-developed, negotiated, and supported from the outset
- **Deep cross-agency coordination**, aligning policy, payroll, HR, and administrative systems around a shared outcome
- **A willingness to challenge and redesign traditional models**, adapting auto-enrollment to function within regulatory realities rather than waiting for those constraints to change
- **Strategic use of employer-funded contributions** to overcome behavioral and financial barriers, making participation both immediate and accessible

- **Continued robust participant engagement**, combining education, communication, and clear value messaging to convert enrollment into action
- **Operational precision at scale**, including extensive testing, validation, and infrastructure development to ensure seamless delivery across a complex statewide system

By designing around structural limitations rather than being constrained by them, Savings Plus proved that meaningful innovation in the public sector is not only possible, but also scalable. The model is intentionally adaptable, capable of being implemented across other bargaining units, employee populations, and even jurisdictions facing similar legal or behavioral barriers.

Importantly, this is not a theoretical framework, it is already in motion. Expansion is actively underway, with additional bargaining units exploring adoption, validating both the model's flexibility and its broad applicability.

This initiative didn't just demonstrate feasibility, it redefined it. It shifted the conversation from what couldn't be done to what can now be implemented, at scale, to drive measurable financial outcomes for public employees.

CONCLUSION

This initiative stands apart because it did not simply improve the existing system, it redefined what was possible within it. Faced with structural, legal, and behavioral barriers that had limited progress for decades, the California Savings Plus Program didn't accept constraints designed around them. By pairing automatic enrollment with employer-funded contributions, it transformed participation from a voluntary, often-delayed decision into an immediate, tangible benefit delivered at scale.

The results speak for themselves: tens of thousands of employees reached millions of dollars deployed, and, most importantly, a measurable shift in human behavior. Participants didn't just enroll, they engaged, contributed, and began building lasting financial security. And critically, the model ensured that even those who could not act immediately were not left behind, they were brought into the system and positioned for future growth.

What makes this initiative truly exceptional is its ripple effect. It closes long-standing equity gaps for a workforce with limited access to traditional retirement benefits. It captures valuable early years of compounding that would otherwise be lost. And it establishes a scalable blueprint that can be extended far beyond a single bargaining unit, potentially transforming retirement readiness across the entire public sector.

This is not just a successful program; it is a breakthrough model. One that proves when you combine innovative design with unwavering execution, you don't just drive participation, you change financial futures.

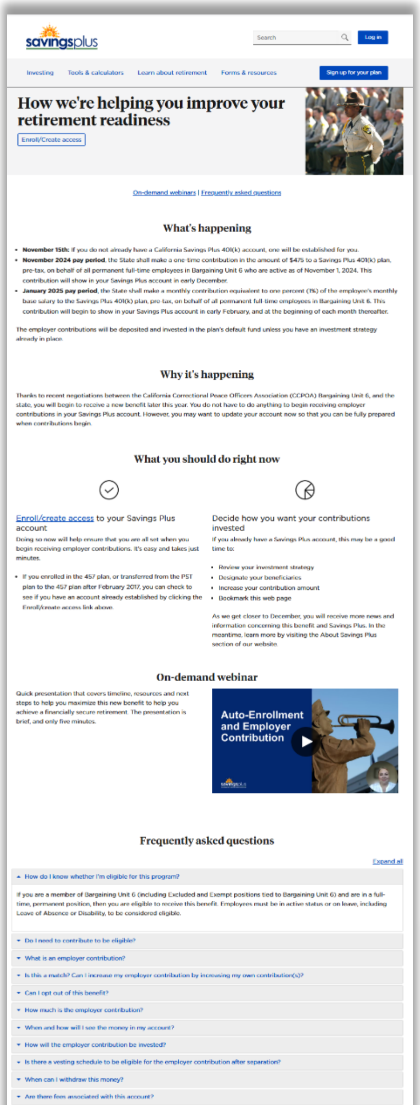
MESSAGES FROM THE PLAN

"This initiative represents a fundamental shift in how we deliver retirement readiness to public employees. By pairing automatic enrollment with employer-funded contributions, we removed the traditional barriers that prevented early participation and replaced them with immediate, tangible value. The result is not just higher participation; it's a measurable change in behavior and long-term financial outcomes. We are now reaching employees earlier, engaging them more effectively, and setting a new standard for what retirement programs can achieve." **– Sandy Blair, Plan Administrator**

"On the job, you're thinking about your team and making it through the day, retirement can wait, until it doesn't. I kept putting it off. Then I saw that contribution hit my account, and it changed things. It felt like someone finally had MY back on the long term. That was enough to get me started, and now I actually believe I can retire." **– Dylan Rice, Corrections, Plan Participant**

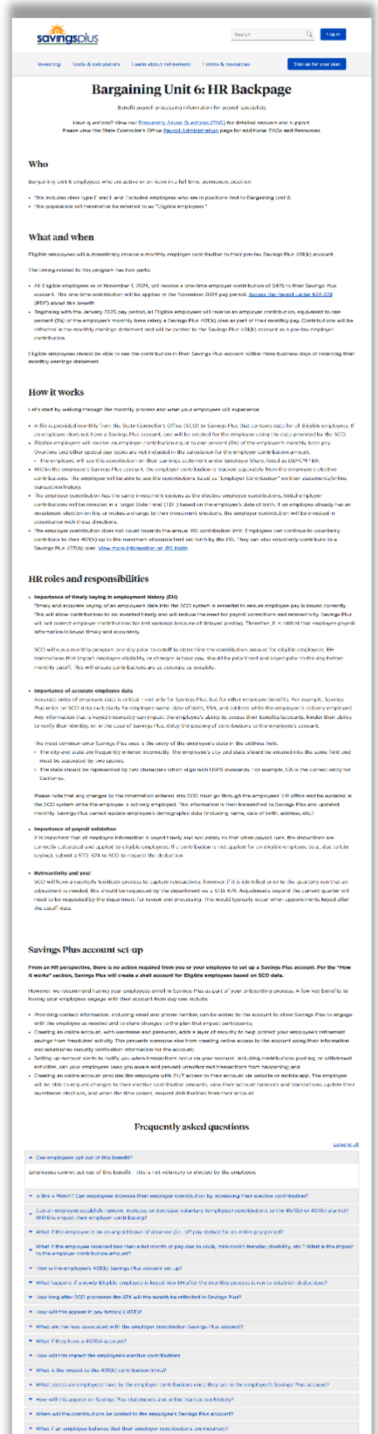
SUPPORTING EXAMPLES

Launch Webpage

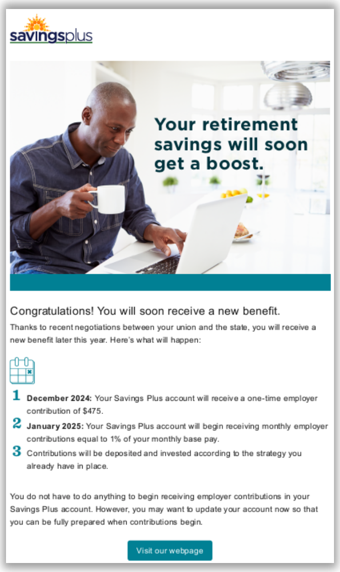


On-demand Webinar

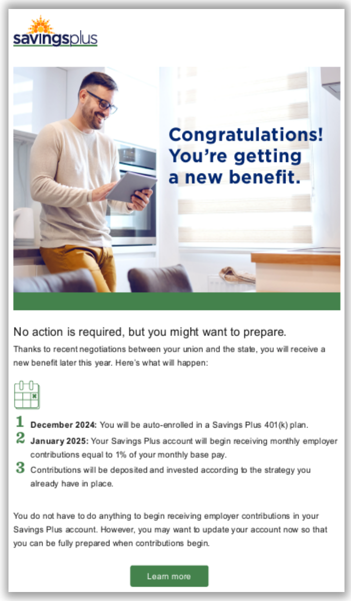
HR Backpage & Information



Current Participant Email



New Participant Email

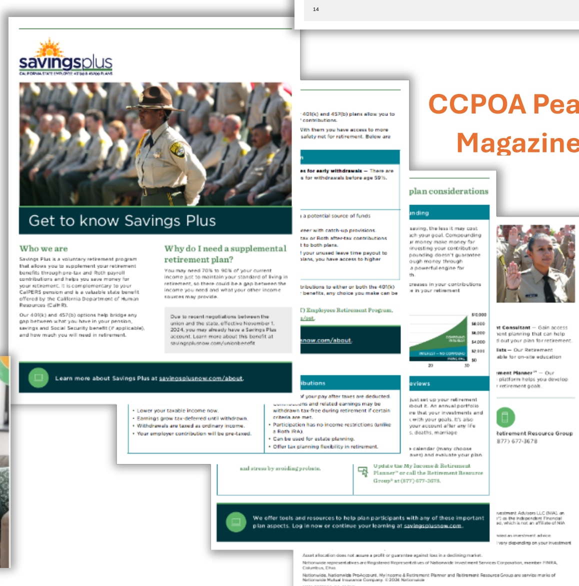


Webinar

Benefit One Pager

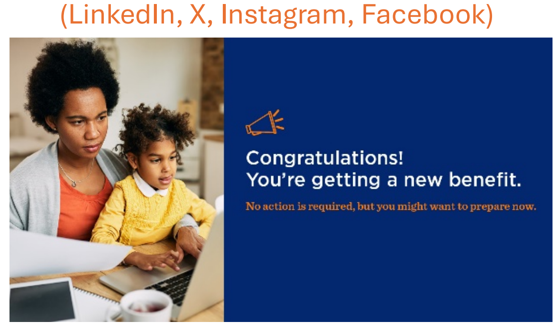
Benefit Postcard

CCPOA PeaceKeeper Magazine spread

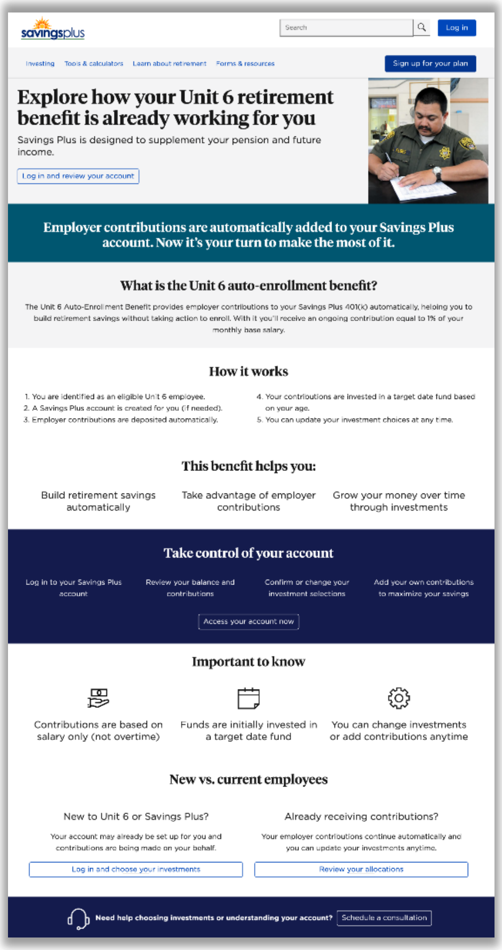


Social Card

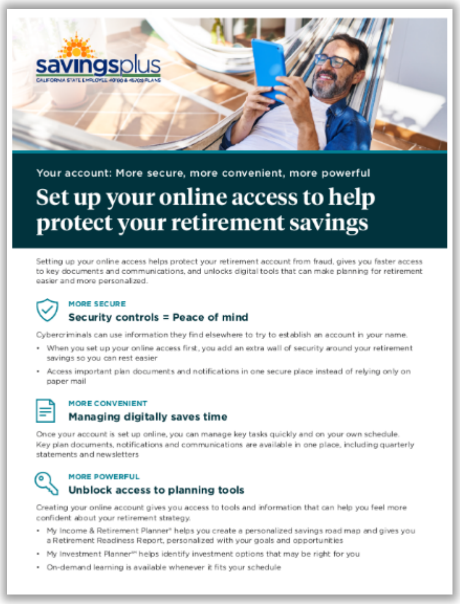
(LinkedIn, X, Instagram, Facebook)



Post Launch Webpage



Online Activation



NEO Flyer

Small Increase Flyer

Account Review Flyer

Welcome Kit