Key Milestones & Decisions
Prepared: August 11, 2017
<table>
<thead>
<tr>
<th>Year</th>
<th>Month</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 2015</td>
<td>Sep</td>
<td>Appointment of Board Members; Executive Director hired</td>
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<tr>
<td>Q4 2015</td>
<td>Nov</td>
<td>First Oregon Retirement Savings Board (ORSB) Meeting</td>
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<td></td>
<td>Dec</td>
<td>Board hears expert testimony on plan and program design; approves Board-led working groups</td>
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<tr>
<td>Q1 2016</td>
<td>Jan</td>
<td>RFP – provider/s for Market Analysis, Financial Feasibility Analysis, and Program Design</td>
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<td></td>
<td>Feb</td>
<td>State agency partners report to the Board on support plans for outreach, technical assistance, and compliance services; and</td>
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<td>Notice of Intent to Award contracts: Market Analysis, Financial Feasibility, Program Design</td>
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<td></td>
<td>Start Board-led working groups – public meeting - Financial Literacy, Plan Design, Program Design</td>
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<td>Active engagement with industry experts: recordkeeping, investment management, payroll, and more</td>
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<td>Q1</td>
<td>Complete a series of 15 public working group meetings – Financial Literacy, Plan and Program Design, Outreach; continue national payroll providers’ consortium and other expert meetings</td>
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<td></td>
<td>Participation of procured providers in working group meetings ensures inclusion of broad expert and stakeholder input into final recommendations for program design and operating model.</td>
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<td>RFP – General Consultant to the Program (Provider Search, Implementation and Investments)</td>
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<tr>
<td>Q2 2016</td>
<td>Jul</td>
<td>Board hears completed Market Analysis, Program Design recommendations, and Financial Feasibility Analysis; Separately Board approves Notice of Intent to Award for General Consultant.</td>
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<td>Aug</td>
<td>First Round Administrative Rulemaking begins; Rulemaking Advisory Committee (RAC) convenes</td>
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<td>RFP issued for procurement of a Marketing Services Provider</td>
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<td>Sep</td>
<td>Second Rulemaking Advisory Committee (RAC) meeting</td>
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<td>RFP issued for the procurement of Program Administration &amp; Investment services</td>
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<tr>
<td>Q3 2016</td>
<td>Sep</td>
<td>Continuing outreach and engagement with stakeholders and experts</td>
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**Key Milestone Timeline**

- **Q3 2015**: House Bill 2960 signed into law by Governor Kate Brown
- **Q4 2015**: First Oregon Retirement Savings Board (ORSB) Meeting
- **Dec**: Board hears expert testimony on plan and program design; approves Board-led working groups
- **Jan 2016**: RFP – provider/s for Market Analysis, Financial Feasibility Analysis, and Program Design
- **Feb 2016**: State agency partners report to the Board on support plans for outreach, technical assistance, and compliance services; and Notice of Intent to Award contracts: Market Analysis, Financial Feasibility, Program Design
- **Apr 2016**: Start Board-led working groups – public meeting - Financial Literacy, Plan Design, Program Design
- **Q1 2016**: Complete a series of 15 public working group meetings – Financial Literacy, Plan and Program Design, Outreach; continue national payroll providers’ consortium and other expert meetings. Participation of procured providers in working group meetings ensures inclusion of broad expert and stakeholder input into final recommendations for program design and operating model. RFP – General Consultant to the Program (Provider Search, Implementation and Investments)
Third Rulemaking Advisory Committee (RAC) meeting
Notice of Intent to Award for Marketing Services Provider (one year contract)

Board approves Annual Report to the Legislative Assembly

Notice of Intent to Award for Program Administration & Investment services for the Program
Annual Report presented to the Legislative Assembly (House & Senate committees)

Outreach, speaking at events, seminars, and conferences (12) – awareness and employers

The Program officially becomes OregonSaves after roundtables and focus groups to develop branding, messaging, and engagement approach that will resonate with Oregon stakeholders

Public Rulemaking Hearing held for comment on initial Administrative Rules
Board selects Investments for Target Date and Growth investment options

Outreach and speaking engagements (23) – continuing focus on employers, stakeholder input

Contract executed with the Program Administrator for OregonSaves
Board selects the Program’s Capital Preservation investment
Permanent Administrative Rule filed and in effect

OregonSaves public website, Employer portal, and Saver portal go live

First Pilot Group Employer registers; 10 additional Employers register by May 30

Second Round Rulemaking begins – First Rulemaking Advisory Committee (RAC) meeting
DOJ and Legal counsel confirm key legal and regulatory requirements met prior to launch

Outreach and speaking engagements (26) – employer & business associations, and more

First contributions into the Program; OregonSaves officially launches
Key Topics & Decisions

Analysis & Design
- Market Analysis
- Financial Literacy Considerations
- Program & Plan Design, Investment Approach
- Financial Feasibility Analysis

Engagement & Outreach
- Outreach, Public Meetings, Expert Input
- Branding, Messaging, Creative

Legal & Regulatory
- DOJ and Expert Counsel Fully Engaged

Development & Implementation
- Procure Service Providers
- Rulemaking and Policies
- Develop Platform, Site, Materials, Processes
- Test / Implement / Retest – Launch.
Market Analysis

- Requirement of HB 2960 to provide a detailed assessment of both the Employee and Employer markets for the Program:
  - The Employee market analysis includes a detailed description of the size and characteristics of uncovered workers in Oregon and an assessment of how uncovered workers will react to the Program. The Employer market analysis provides a description of Employers who will be affected by the Program and investigates the costs that Employers may face.
- Notice of Intent to Award issued to Boston College Center for Retirement Research (CRR) on February 8, 2016; work commences
- Market Analysis presented by Boston College CRR at the July 2016 Board meeting:
Financial Literacy
• Requirement of HB 2960 to provide recommendations to the Legislative Assembly regarding ways to increase financial literacy in the state
• Input provided by Board-led Financial Literacy Working Group that met four times between March and June 2016
• Financial Literacy Recommendations approved by the Board at the November 2016 Board meeting:

Empowering Oregonians through Financial Literacy

The Problem
Improving financial literacy is an important priority and one of our biggest challenges. Oregon is currently 49th out of 50 states in financial literacy. The current system is not working for many Oregonians, leaving them without the right opportunities, tools, and financial education they need to address the real and ongoing economic challenges they face today.

Oregon families face:
• High consumer debt: Oregon households have the sixth highest debt in nation.¹
• Increasing student debt: Student tuition across the US has increased 286 percent in the past twenty years, leaving students with an average of $33,800 of student loan debt. Just as they start out on their lives.²
• Unemployment rising: More than 1 million Oregon workers do not have an employer-sponsored retirement plan.³
• Limited personal savings: Most Americans have less than $1,000 in savings. 80 percent do not even have a savings account.⁴
• More financial products choices without more financial knowledge: Consumer knowledge about how to use financial products and avoid issues does not keep pace with the development of new financial products.⁵
• Decrease of paydays, check cashing, and the loans in Oregon: $586 million in payday loans per year is more than $57 million in fees. 5.5 percent of Oregon households lack a checking or savings account at a federally insured financial institution and 20.5 percent are underserved.⁶

These issues have serious impacts for families and on the state’s economy, and the social service system. And even with more income and opportunity, Oregonians will not have better financial outcomes without the right tools and financial education.

State agencies and their partners already perform a significant amount of financial education and outreach but without the benefits of coordination that would increase their efficiency.

In 2016, Oregon developed a financial literacy strategic plan.³

⁴ July 2016 market research report by the Center for Retirement Research, Boston College.
⁵ https://www.reuters.com/article/us-usa-economy-mortgage-foreclosures-case-idUSKCN17C043
⁷ http://www.savingforfuture.org/savings-old-age-income/retirement-income/2015
⁸ http://www.savingsforfuture.org/savings-old-age-income/retirement-income/2015
Plan & Program Design

- Analysis and recommendations on key offering and operating model characteristics for the Program
- Notice of Intent to Award issued to Segal Consulting with BridgePoint Group on February 8, 2016; work commences
  - Additional input provided by Board-led Working Groups that met 9 times from March to June 2016
- Program Design Recommendations presented by Segal Consulting and BridgePoint Group at the July 19, 2016 Board meeting:
Plan & Program Design (Continued)

- Supported by foundational decisions made for the core offering, including for contributions, investments, and account types
- Basic Plan Design approved by the Board at the July 2016 Board meeting:

### OREGON RETIREMENT SAVINGS BOARD

#### Plan Design Proposal - DRAFT

#### BASIC DESIGN

<table>
<thead>
<tr>
<th>Proposed Option</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Default contribution rate</td>
<td>0.5% for new enrollees</td>
</tr>
<tr>
<td>2 Other payroll contribution options</td>
<td>Participant can choose any increment of 1%</td>
</tr>
<tr>
<td>3 Escalation</td>
<td>Annual auto-escalation 1% per year capped at 15%</td>
</tr>
<tr>
<td>4 Employee changes</td>
<td>Participant can opt out or change contribution rate any time. Employee will need reasonable period to implement changes</td>
</tr>
<tr>
<td>5 Employer phased-in</td>
<td>Employers will be phased-in, beginning with the largest</td>
</tr>
<tr>
<td>6 Eligible employees</td>
<td>Age 18 and over, employed (W-2 income) in Oregon by a participating employer. No maximum number of hours. Must have SSN/TIN</td>
</tr>
<tr>
<td>7 Account type</td>
<td>Roth IRA, possible option of traditional IRA</td>
</tr>
<tr>
<td>8 Investments – default</td>
<td>Age-appropriate target date fund. Look for low fees, relatively conservative glide path</td>
</tr>
<tr>
<td>9 Investments – other choices</td>
<td>Stable value (“safely”) fund and check-writing (“growth”) fund. Participant can also select a different-date TDF</td>
</tr>
</tbody>
</table>

### ADDITIONAL ESSENTIAL ELEMENTS

<table>
<thead>
<tr>
<th>Proposed Option</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 Changing investment choices</td>
<td>Participant can change investment choices at any time subject to standard industry limits on frequency</td>
</tr>
<tr>
<td>11 Withdrawals</td>
<td>Withdrawals allowed as permitted by tax law. Provide projection showing withdrawal’s impact on retiree as part of withdrawal request process</td>
</tr>
<tr>
<td>12 Escalation - mechanism</td>
<td>To reduce employer burden, annual auto-escalation on fixed date (Jan. 17 or July 17) for everyone enrolled at least six months or enrolling July 1 or after means no escalation until following year</td>
</tr>
<tr>
<td>13 Contribution rate for new job or second job</td>
<td>Highly desirable to have participant stay at escalated rate when changing jobs or adding second job</td>
</tr>
<tr>
<td>14 If participant has two jobs, can rate be different?</td>
<td>Option: (1) Rate is the same for second job, participant isn’t pay separate rates, for each job. (2) Participant can pick different rates for each job, including opting out at one employer</td>
</tr>
<tr>
<td>15 Minimum contribution amount</td>
<td>Should there be a minimum contribution amount? Example: employee works 5 hours/day at $5/hr. Paid weekly. Gross pay $50; contributions rate 1%. Should plan incorporate contribution of $50/week? Or should we set minimum, e.g. $5 per paycheck?</td>
</tr>
<tr>
<td>16 Opting out – initial enrollment</td>
<td>Employee should have 30-45 days to opt out prior to payroll deductions beginning</td>
</tr>
</tbody>
</table>
Investment Policy Statement

- Developed by Segal Marco Advisors with the purpose of stating the investment objectives of the Program and establishing policies and procedures associated with prudent best practices.
- Board conversations started during the Design phase. Initial Investment Policy Statement presented by Segal Marco Advisors and reviewed by the Board at the March 2017 Board meeting. A revised version was reviewed and approved by the Board at the July 2017 Board meeting.

Key Topics & Decisions

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OREGON STATE TREASURY
Financial Feasibility Analysis
- Requirement of HB 2960 to assess feasibility
- Notice of Intent to Award issued to Boston Colleges Center for Retirement Research on February 8, 2016; work commences
- Financial Feasibility Study presented by Boston College CRR at the July 2016 Board meeting; report finalized in August.
Branding, Messaging & Creative

- Contract executed with Marketing Services Provider, CFM Strategic Communications, on October 31, 2016
- CFM conducted significant marketing research including four community roundtable sessions, eight 1:1 interviews, and two focus groups to test branding and messaging
- Brand Identity Standards (Style Guide) and Marketing Plan provided by CFM and subcontractor, Cappelli Miles:
Outreach

- Board-led Program Outreach Working Group chartered to review and advise on the development and execution of a proposed outreach plan to gain input and disseminate information regarding the Plan and saving for retirement
- Outreach Working Group met three times from April to June 2016, and again in January 2017
- Initial Communications Plan presented to the Board at its November 2016 meeting:
Legal & Regulatory Requirements

• HB 2960 required that the Program “obtain legal advice regarding the applicability of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.) and the Internal Revenue Code to the plan.” DOJ, working with outside counsel, met this requirement and confirmed to the Board at its June 2017 meeting that all legal and regulatory requirements had been met.

• The Program also sought legal counsel review of all Program sites, forms, disclosures, marketing materials, email communications, and social media content to ensure that in addition to meeting best practice, they were in compliance with all applicable state and federal laws and regulations.
Procurement of Service Providers
• Professional Services for Market Analysis and Financial Feasibility Analysis
  • RFP issued January 4, 2016
  • Notice of Intent to Award issued February 1, 2016 to Boston College CRR
  • Contract executed on February 8, 2016 with Boston College CRR
• Professional Services for Program Design
  • RFP issued January 4, 2016
  • Notice of Intent to Award issued February 1, 2016 to Segal Consulting (with BridgePoint Group as subcontractor)
  • Contract executed on February 8, 2016 with Segal Consulting
• General Consultant
  • RFP issued June 2, 2016
  • Notice of Intent to Award issued July 20, 2016 to Segal Group
  • Contract executed on August 19, 2016 with Segal Group
• Marketing Services Provider
  • RFP issued August 26, 2016
  • Notice of Intent to Award issued October 11, 2016 to CFM Strategic Communications
  • Contract executed on October 18, 2016 with CFM Strategic Communications
• Plan Services Provider (Plan Administrator)
  • RFP issued September 20, 2016
  • Notice of Intent to Award issued December 6, 2016 to Ascensus College Savings Recordkeeping, LLC (“Ascensus”)
  • Contract executed on April 3, 2017 with Ascensus
  • Term: April 3, 2017 – June 30, 2027
• Project Management QA/QC
  • Vendor selected off of statewide Price Agreement list
  • Contract executed on March 10, 2017 with Hittner & Associates
  • Term: March 10 – May 31, 2017
• UAT QA/QC
  • Vendor selected off of statewide Price Agreement list
  • Contract executed on March 10, 2017 with Hittner & Associates
  • Term: March 10 – May 31, 2017
• Marketing Services Provider
  • RFP issued May 15, 2017
  • Notice of Intent to Award issued July 25, 2017 to CFM Strategic Communications
Rulemaking – First Round

- Initial round of Rulemaking included engagement with key stakeholders locally and experts nationally to gather input
- Rulemaking Advisory Committee (RAC) meetings were held in August, September and October of 2016 and a Public Rulemaking Hearing was held on February 15, 2017. Over 50 public comments were received and considered as part of the final draft of the Administrative Rule
- Final draft of the Rule was approved by the Board at the April 18, 2017 Board meeting; filed with the Secretary of State and Legislative Counsel and in effect on April 19, 2017:
As Program Administrator, Ascensus took responsibility for assembling the framework for the OregonSaves platform: the public website, Employer portal, and Saver portal. Requirements of the platform were largely defined by the approved Plan and Program Design documents.

As a component of overall QA/QC for the Program, staff performed User Acceptance Testing (UAT) of the platform by developing detailed requirements traceability matrices that mapped functional requirements to test cases. Prior to launch, staff performed two phases of UAT, each lasting two weeks. Tracing expected results back to actual results, staff collaborated with Ascensus to work through any defects. At the end of each phase of testing, staff provided Ascensus with a detailed report that included a Go/No-Go decision for the functionality tested.

To ensure independent validation of the UAT documentation and process, Oregon contracted with a third party QA/QC vendor to perform analysis and reporting prior to the beginning of each UAT phase and after the conclusion of each UAT phase by reviewing results. For both UAT phases prior to launch, the provider affirmed staff’s decision to provide Ascensus with a “Go” decision.
**Future Milestone Timeline**

(Current forecast - through Q2 2019)

**July 1, 2017**
- First contributions into the Program; OregonSaves officially launches

**Q3 2017**
- July 25: Notice of Intent to Award issued to a Marketing, Outreach, & Communications Service Provider
- Aug 15: Pilot Group 2 Employer registration invites sent
- Sep 15: Pilot Group 2 first contributions allowed into the Program

**Q4 2017**
- Oct 15: Wave Group 1 Employer registration invites sent
- Oct 18: Second Permanent Administrative Rule expected to be filed and in effect
- Nov 15: Wave Group 1 Employer registration deadline
- Dec 12-13: Annual Report to the Legislative Assembly presented to House & Senate committees
- Dec 14: Wave Group 1 first contributions allowed into the Program

**Q2 2018**
- Apr 15: Wave Group 2 Employer registration invites sent
- May 15: Wave Group 2 Employer registration deadline
- June 14: Wave Group 2 first contributions allowed into the Program

**Q4 2018**
- Nov 15: Wave Group 3 Employer registration invites sent
- Dec 1: Opt-in Participation functionality available (future service enhancement)
- Dec 11-12: Annual Report to the Legislative Assembly presented to House & Senate committees
- Dec 15: Wave Group 3 Employer registration deadline

**Q1 2019**
- Jan 1: Auto-Escalation functionality available (future service enhancement)
- Jan 14: Wave Group 3 first contributions allowed into the Program
- Jan 31: Traditional IRA functionality available (future service enhancement)

**Q2 2019**
- Apr 15: Wave Group 4 Employer registration invites sent
- May 15: Wave Group 4 Employer registration deadline
- June 1: Rollovers-in functionality available (future service enhancement)
- June 14: Wave Group 4 first contributions allowed into the Program