

**CONNECTICUT
RETIREMENT SECURITY
PROGRAM**



**FY 2024 Annual Report
July 1, 2023 through June 30, 2024**

MyCT Savings



PROGRAM BACKGROUND & ADMINISTRATION

ABOUT THE CONNECTICUT RETIREMENT SECURITY PROGRAM

The former Connecticut Retirement Security Authority (“CRSA”) was a quasi-public state agency tasked with launching the Connecticut Retirement Security Program (“CRSP” or “the Program”), as established by Connecticut General Statutes §§31-417 through 31-429. The Program, publicly branded as “MyCTSAavings,” is an automatic-enrollment retirement savings program for private sector workers who do not have access to a qualified employer-sponsored plan in Connecticut.

As codified by Public Act 22-118, as of July 1st, 2022 the Connecticut Retirement Security Authority’s Board was converted into an Advisory Board. The Act also dissolved the Authority as quasi-public agency and made the Office of the State Comptroller (“OSC”) the successor agency. The Program is now administered by the Connecticut Retirement Security Program unit through the OSC.

The OSC is submitting this annual report detailing the Program’s activities, receipts, expenditures and projected activities to the Governor, the Office of Auditors of Public Accounts, and the joint standing committees of the General Assembly having cognizance of matters relating to labor and finance, revenue and bonding, as required by Section 31-426 of the Connecticut General Statutes.

BOARD OF DIRECTORS

The CRSP is administered by the Office of the State Comptroller with the support of the Connecticut Retirement Security Program Advisory Board. The Advisory Board consists of fifteen individuals, fifteen of whom were appointed and served during the reporting period.

The CRSP also had three permanent staff members during the reporting period to support the administrative activities of the Program: the Executive Director of the Program, a Strategic Communications Manager, and an Administrative Assistant.

During the reporting period of July 1, 2023 to June 30, 2024, the Board members were:

- **Sean Scanlon**, State Comptroller and Chair of the Board
- **Jennifer Putetti**, Designee of the State Treasurer
- **Manisha Srivastava**, Designee of the Secretary of the Office of Policy and Management
- **Cesar Garcia**, Designee of the Department of Banking Commissioner
- **Patrick Flaherty**, Designee of the Department of Labor Commissioner
- **Thomas Sennett**, appointee of the Speaker of the House of Representatives, Vice Chairman
- **Ryan Leichsenring**, appointee of the Majority Leader of the House of Representatives
- **Sean Thomas**, appointee of the Minority Leader of the House of Representatives
- **Alex Knopp**, Esq., appointee of the President *Pro Tempore* of the Senate
- **Edward Zelinsky**, appointee of the Majority Leader of the Senate
- **Sherry Coelho**, appointee of the Governor
- **Melissa Pescetelli**, appointee of the Governor
- **Douglas McIntosh, Jr.**, appointee of the Governor
- **Jon Wu**, appointee of the Governor
- **Bing Carbone (Appointed February 2024)**, appointee of the Minority Leader of the Senate

BOARD MEETINGS

The Board held regular meetings throughout the year as well as subcommittee meetings. Agendas and meeting minutes of the Board can be found on the Board's website at <https://osc.ct.gov/crsa/>.

2024 PROGRAM ACTIVITIES

OVERVIEW

The CRSP continued to make significant progress in FY 2024, launching the first annual wave of newly eligible employers in July 2023 and completing the extended deadline for the three initial outreach waves on August 31, 2023. The Comptroller extended the deadline to register for all previous waves to August 31, 2023 in April of 2023 to allow more time for businesses to register.

The Program also implemented an outreach and marketing campaign for the second 2024 annual wave of sign-up for businesses, including the preparation of educational materials, presentations, advertising and in-person outreach events, expanding into industry-specific markets most likely to be affected by the Program. A strategic multi-cultural marketing plan, with particular attention to Spanish-speaking employers and employees, was also prepared for the summer of 2024.

The Program's assets and participation also grew significantly during the reporting period. Between July 1, 2023 and June 30, 2024, MyCTSavings added 1,995 registered employers, 10,959 funded accounts, and added over \$18,464,547.94 in assets under management.

ANNUAL WAVE 2023 &
EXTENDED DEADLINE



ANNUAL 2024
WAVE

Implementing the First Annual Wave 2023 and Ending the Extended Deadline

In July of 2023 the Program ingested the first annual wave of employers newly eligible for the program in the 2023 calendar year. Employers were contacted beginning forty-five (45) days in advance of their enrollment deadline with educational materials and instructions for sign-up.

In April of 2023, the Comptroller extended the deadline for all previously contacted businesses to register to August 31, 2023. The Program sent additional communications to all waves prior to the extended deadline in July 2023.

Marketing Outreach Plan

The CRSP created, updated, and implemented a variety of materials for outreach and education to employers and employees, including email and paper communications, website communications, event and presentation materials, and social media content.

The CRSP also attended over seventy different outreach events including business-to-business expos, webinars, and town business walks visiting local employers with Comptroller Sean Scanlon. Due to greater numbers of unregistered businesses in cities and larger towns, more time was dedicated to visits in those areas: including Greater Bridgeport, Hartford, Manchester, Meriden, Greater New Haven, Norwalk, and Wallingford. Outreach efforts were also focused on the industries with the greatest number of unregistered employers, including restaurants, home care agencies, and landscaping.

The Program strategically partnered with other organizations such as the Women's Business Development Council, the U.S. Small Business Administration, the Connecticut Business and Industry Association, local Chambers of Commerce, and many other industry associations to increase public awareness of the program to business owners. In addition, the CRSP developed and implemented a paid and earned media campaign with its program administrator, Vestwell State Savings, to increase general awareness of the program across the state through statewide television, radio, and digital ads. In April, a new video for the website and two additional commercials were filmed at participating employer's businesses to be used for the next annual wave in July of 2024. In addition, multiple short testimonials to be used as social media posts or in presentations were created out of the video footage. A series of social media posts for ongoing use were created in English and Spanish, and a multi-cultural media plan was prepared for the annual 2024 wave.





Llevar adelante una empresa es difícil.

Es por eso que MyCT Savings es la forma rápida y fácil para que los empleados ahorren para su futuro.

 MyCT Savings

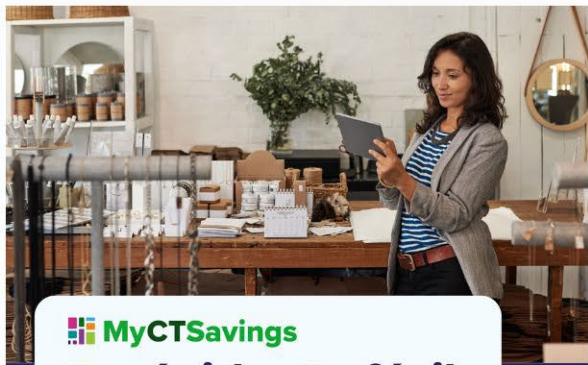


 MyCT Savings

Retirement made simple.

MyCT Savings is the fast and easy way to help your employees save for a more secure future.

 MyCT Savings
Helping Connecticut employees save for a more secure retirement.



 MyCT Savings

Es rápido. Es fácil.

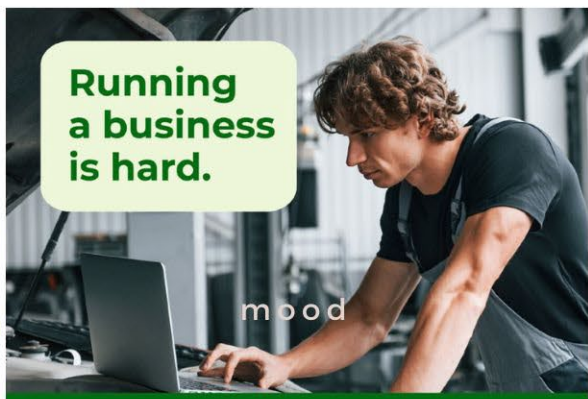
Programa de ahorro jubilatorio patrocinado por el estado de Connecticut: una forma sencilla para que sus empleados ahorren para un futuro más seguro.



 MyCT Savings

Ahora, la jubilación es fácil.

MyCT Savings es una forma rápida y fácil de ayudar a sus empleados a ahorrar para un futuro más seguro.



Running a business is hard.

MyCT Savings can make it easier with a retirement savings option that is free to businesses and popular with employees.

 MyCT Savings

Program Metrics

MyCTSavings has grown steadily since the launch of the program in April 2022. At the end of FY2024, MyCTSavings had added 6,432 registered employers and over \$25.32 million in assets from 27,049 participating savers since the Program’s inception.

Monthly reports are posted to the CRSP Advisory Board’s website at <https://osc.ct.gov/crsa/reports.html>.

Figure i. Chart of Weekly Asset Growth from July 4, 2023 to June 25, 2024.

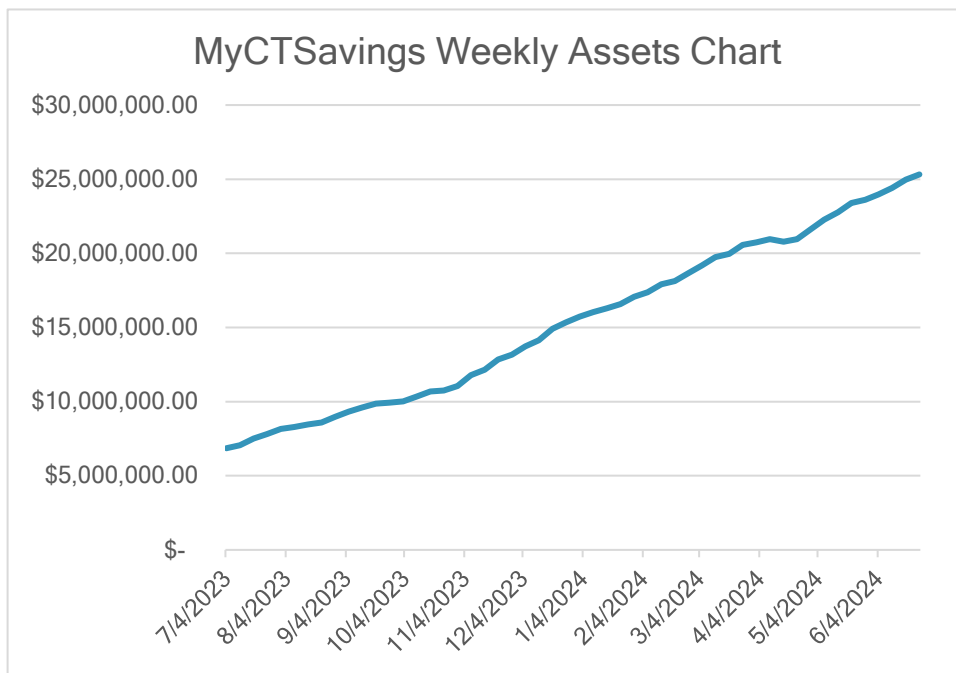
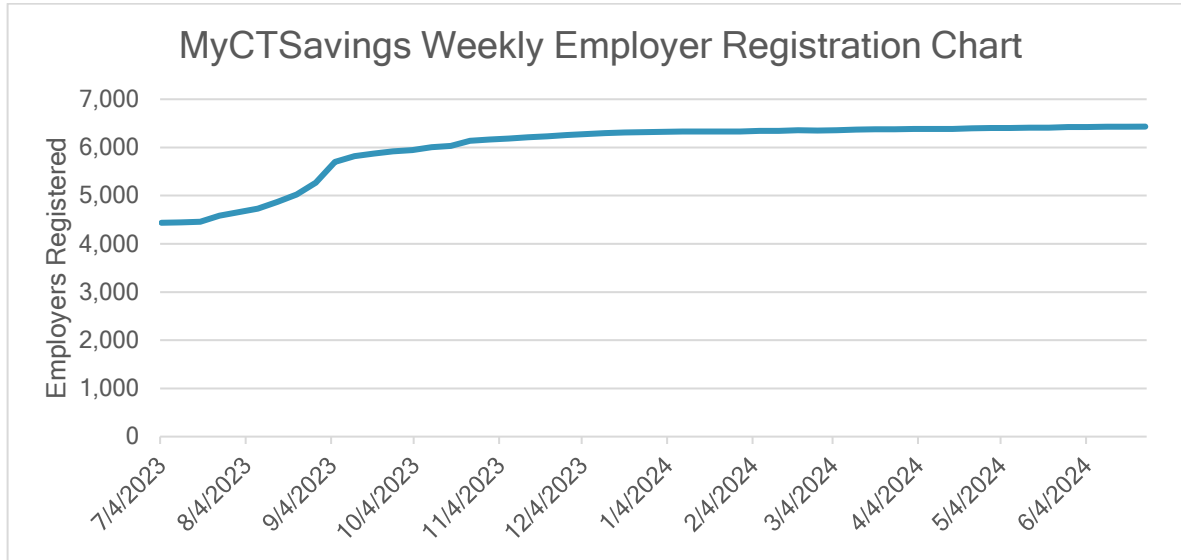


Figure ii. Chart of Employer Registration Growth from July 4, 2023 to June 25, 2024.



Employer registrations rose around the August 2023 extended deadline for all current waves.

Figure iii. Chart of Weekly Funded Accounts Growth from July 4, 2023 to June 25, 2024.

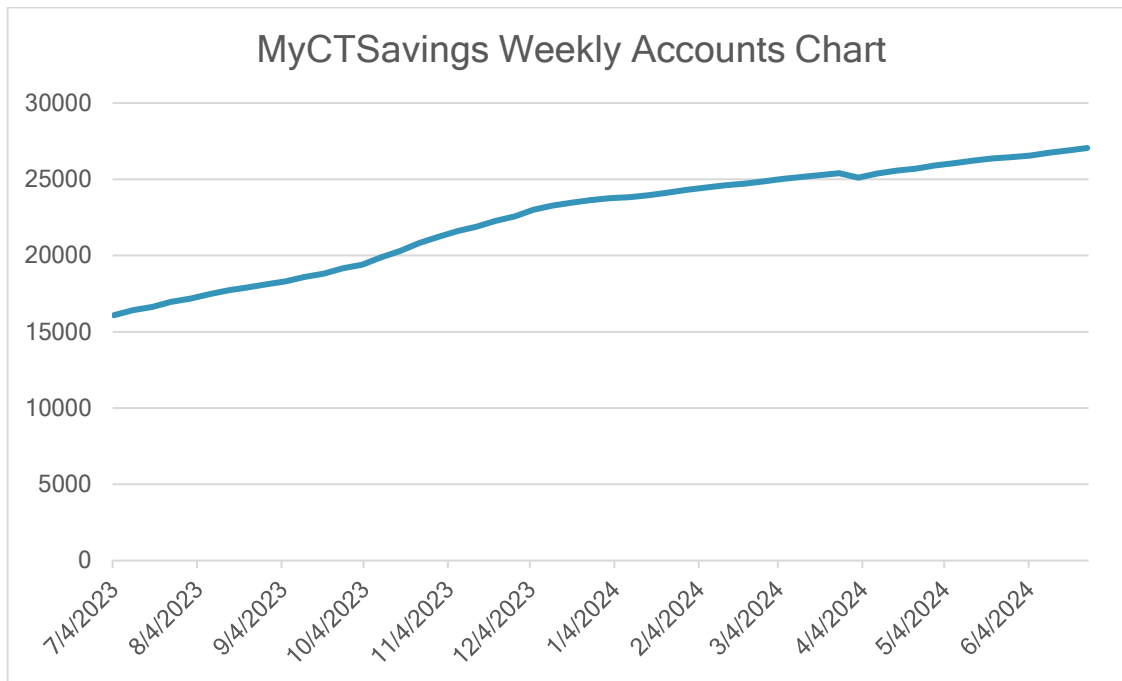


Figure iv. Example of the Fiscal Year 2024 CT Public Report.

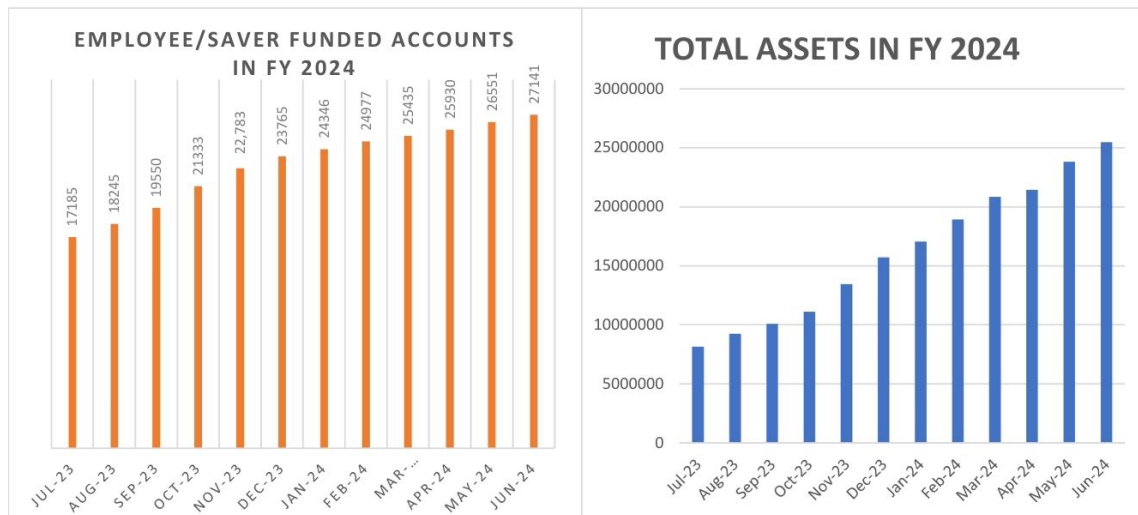


FISCAL YEAR 2024

Employers	6/30/2024	7/31/2023	Change
Employers Registered	6436	4657	1779
Employers That Started Payroll Deductions (Since Inception)	3092	1845	1247
Employers Facilitating Deductions (last 90 days)	2718	1821	897
Self-Exempted Employers	11381	8055	3326

Employee/Savers	6/30/2024	7/31/2023	Change
Funded Accounts	27141	17185	9956
Payroll Contributing Accounts	30160	17930	12230
Opt-Out Rate (first 30 days)	18.81%	18.85%	-0.04%
Multiple Employer Accounts	7399	4594	2805
Self-Enrolled Accounts	267	61	206

Funding	6/30/2024	7/31/2023	Change
Total Assets	\$25,468,613.47	\$8,153,945.09	\$17,314,668.38
Average Funded Account Balance	\$938.38	\$474.48	\$463.90
Total Contributions	\$26,484,226.18	\$8,188,294.00	\$18,295,932.18
Average Monthly Contribution Amount	\$104.55	\$102.11	\$2.44
Median Monthly Contribution Amount	\$74.07	\$74.24	-\$0.17
Average Contribution Rate	3.36%	3.31%	0.05%
Amount of Withdrawals	\$3,075,950.16	\$413,766.09	\$2,662,184.07
Accounts with a Full Withdrawal	2787	705	2082
Accounts with a Partial Withdrawal	937	181	756
Withdrawal Rate	9.24%	3.93%	5.31%



This report is produced by the MyCT Savings program in the Connecticut Office of the State Comptroller. Visit www.osc.ct.gov/crsa for more data on the retirement savings plan.

FY2024 FINANCIAL ACTIVITIES

FISCAL YEAR NARRATIVE SUMMARY

July 1, 2023 – June 30, 2024

Legislative Changes in Funding Structure.

House Bill 6941 of the updated Connecticut General Statute Section 31-417(i) to “Any money expended from the General Fund for the purpose of administering the Connecticut Retirement Security Program shall be reimbursed to the General Fund according to a plan established and agreed upon by both the Secretary of the Office of Policy and Management and the Comptroller.”

Program Revenues.

The Program is designed to earn the revenue to become self-sustaining through administrative fees on the investment assets. The fees collected by the OSC for the reporting period were established at a rate of 2 basis points on investment assets plus a two dollar (\$2) flat fee per year, per account. The Program received \$31,466.02 in revenues from these fees in FY2024.

LIST OF BOND ISSUED FOR PRECEDING FISCAL YEAR:

No bonds were issued.

LIST OF PROJECTS

No bonds were issued.

LIST OF OUTSIDE INDIVIDUALS AND FIRMS RECEIVING LOANS

No loans were issued.

BONDS

No bonds were issued.

CRSP FINANCIAL STATEMENTS

Statement of Net Position

June 30, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	\$ -	\$ -
Line of credit receivable	-	-
Total Assets	-	-
Liabilities and Net Position		
Liabilities		
Line of Credit Payable	455,000	455,000
Other Amounts Owed To The State	1,050,417	441,104
Accounts payable and accrued expenses	19,277	-
Total Liabilities	1,524,694	896,104
Net Position	\$ (1,524,694)	\$ (896,104)

CRSP FINANCIAL STATEMENTS

Statement of Changes in Net Position

FOR THE FISCAL YEAR ENDED JUNE 30, 2024 AND JUNE 30, 2023

	2024	2023
Additions		
Fees on Investment Assets	\$ 31,466	\$ 2,984
Total Additions	31,466	2,984
Deductions		
Personnel Expenses	524,783	353,275
Legal Services	22,240	87,622
General Consulting	46,375	52,399
Investment Consulting	51,250	-
Other Expenses	15,408	5,679
Total Deductions	660,055	498,975
Net Change in Net Position	(628,589)	(495,991)
Net Position - Beginning of the period	(896,104)	(400,113)
Net Position - End of the period	<u>\$ (1,524,694)</u>	<u>\$ (896,104)</u>

Note 1: Salaries Associated with Personnel Expenses were \$280,362. Fringe Benefits associated with Personnel Expenses were \$244,421

Note 2: Vestwell State Savings Fees on Assets and Accounts Maintained were \$373,328 through June 30, 2024.

FUTURE ACTIVITIES FOR FY2025

WAVE 2024 COMPLIANCE

Implement of Wave 2024

In summer 2024 MyCTSAvings will begin its second annual wave for newly eligible employers. An estimated 2,600 businesses will be contacted in July of 2024 for a deadline of August 31, 2024. Employers will be contacted beginning forty-five (45) days in advance of their enrollment deadline with educational materials and instructions for sign-up. Notices will continue to be sent throughout the fall of 2024 reminding employers to take an action.

Outreach and Marketing Plan

The Program will continue to build upon industry relationships established in the past year to bring greater public awareness of the Program and educate employers. This will include broad social media engagement on multiple platforms, refreshed paid advertisements for broadcast radio and television placements, press releases to news organizations, hosting webinars and seminars about the Program, participating in podcasts, and direct engagement with industry groups, as well as Asian-Pacific Islander, Black, and Hispanic associations at meetings and events. The Program is also preparing to update the MyCTSAvings website with a single user login, simpler navigation, and more resources.

Research

CRSP will continue to research and analyze the program's data for valuable feedback on the Program's progress and penetration into the public sphere.

Compliance

Following the close of wave 2024, the Program will formulate a policy and outreach plan to continue to inform employers of statutory requirements and encourage compliance with the law via pre-compliance notifications and other outreach efforts. The Program will formulate a survey to be sent to the employers who have registered but have not submitted payroll and to the employers who began the process of registering but have not completed it. This survey will provide valuable feedback as to potential operational obstacles facing participating businesses.

In addition, the Program will conduct targeted reminders to employers who began the registration process and employers who have registered but have not begun submitting contributions as required by law.

Partnership Options

The Program will continue to look for opportunities to partner with other state Programs to achieve economies of scale for the program.