



FY 2023 Annual Report
July 1, 2022 through June 30, 2023

MyCT Savings



PROGRAM BACKGROUND & ADMINISTRATION

ABOUT THE CRSP

The former Connecticut Retirement Security Authority (“CRSA”) was a quasi-public state agency tasked with launching the Connecticut Retirement Security Program (the “Program”), as established by Connecticut General Statutes §§31-417 through 31-429. The Program, publicly branded as “MyCTSavings,” 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 (“CRSP”) 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, fourteen of whom were appointed and served during the reporting period.

The CRSP also hired 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, 2022 to June 30, 2023, the Board members were:

- **Sean Scanlon (Term began January 2023)**, State Comptroller and Chair of the Board
- **Natalie Braswell (Term ended December 2022)**, State Comptroller and Chair of the Board
- **David Radcliffe (Resigned December 2022)** and **Jennifer Putetti (Appointed January 2023)**, 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
- **Keisha Palmer (Resigned January 2023)** and **Ryan Leichsenring (Appointed April 2023)**, appointee of the Majority Leader of the House of Representatives
- **Richard Iovanne (Resigned July 2022)** and **Sean Thomas (Appointed April 2023)**, 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 (Appointed January 2023)**, appointee of the Governor
- **Melissa Pescetelli (Appointed February 2023)**, appointee of the Governor
- **Douglas McIntosh, Jr.**, appointee of the Governor
- **Jon Wu (Appointed February 2023)**, appointee of the Governor
- **Vacant**, 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/>.

2023 PROGRAM ACTIVITIES

OVERVIEW

The CRSP continued to make significant progress in FY 2023, launching the final two waves of initial sign-up for small- and medium-sized businesses in mid-calendar year 2022 and early 2023. Businesses with between 25-99 employees were contacted in July of 2022 for an October 31, 2022 deadline; businesses with 5-24 employees were contacted beginning in January of 2023 for a March 30, 2023 deadline.

The Program implemented an outreach and marketing campaign for the final two waves of sign-up for businesses, including the preparation of educational materials, presentations, advertising and in-person outreach events. The Comptroller additionally extended the deadline to register for all eligible businesses to August 31, 2023 in April of 2023 to allow more time for businesses to register.

The Program's assets and participation also grew significantly during the reporting period. Between July 1, 2022 and June 30, 2023, MyCTSavings added 4,192 registered employers, 15,514 funded accounts, and added over \$6,472,798.20 in assets under management.



Implementing the Final Two Enrollment Waves

Following the close of the first wave on June 30, 2022, CRSP focused on the launch of the final two enrollment waves. The initial deadline for medium-sized employers with 25-99 employees to enroll was October 31, 2022 and the initial deadline for the smallest employers with 5-24 employees was March 30, 2023. Employers were contacted beginning ninety (90) 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 contacted businesses to register to August 31, 2023. The Program prepared additional communications to be sent to all waves in the months prior to the extended deadline for dissemination in July 2023.

Changes to the Regulations

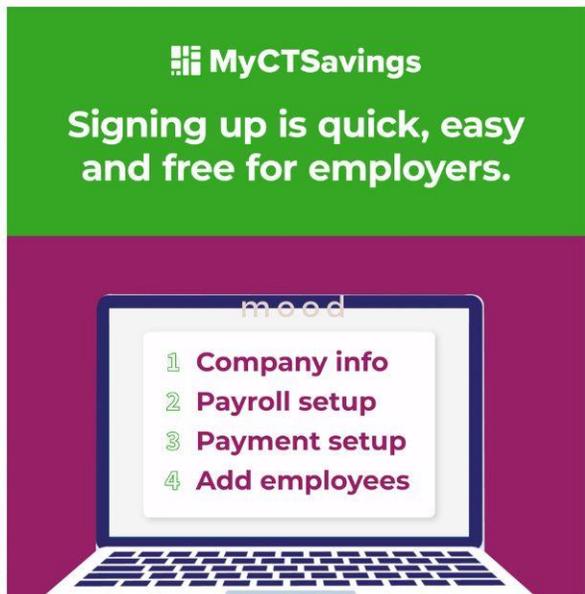
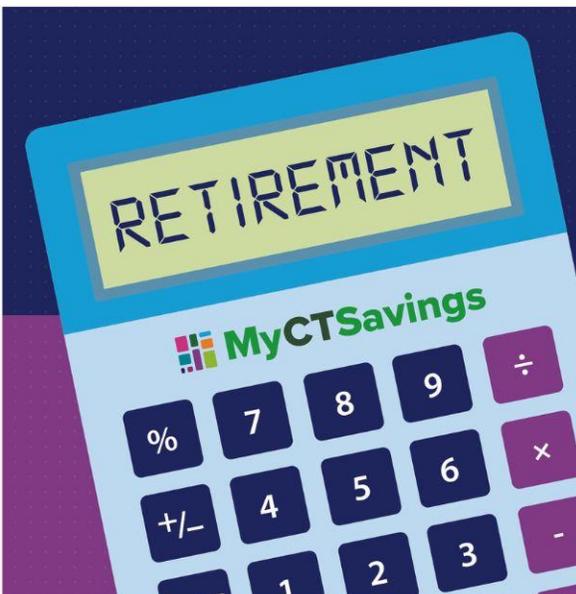
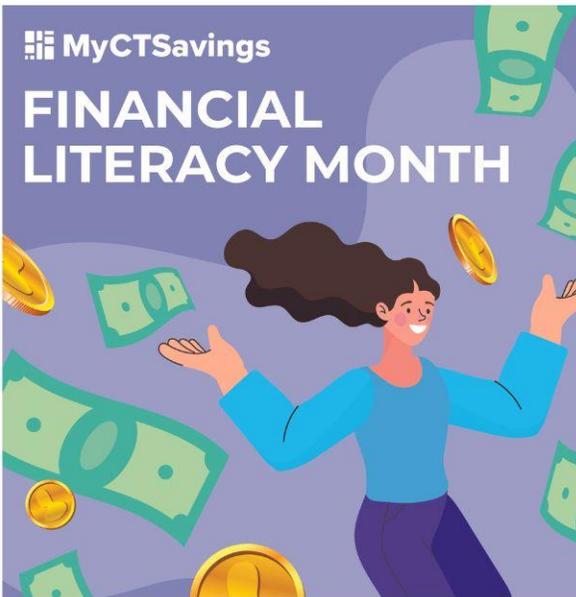
The Program converted two policies of the former Authority to state regulations during FY2023. The initial “opt-out period” policy was converted to a regulation as of May 2023. The former “distribution of funds” policy was converted to a regulation as of March 2023.

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 held or attended over sixty different outreach events including business-to-business expos, webinars, and town business walks visiting local employers with Comptroller Sean Scanlon. 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 and radio spots and ads.





Program Metrics

MyCTSAvings has grown steadily since the launch of the program in April 2022. At the end of FY2023, MyCTSAvings added 4,414 registered employers and over \$6.5 million in assets from 15,981 participating savers. Most of this growth occurred between January and June of 2023 (*Fig. ii*).

The CRSP additionally added a monthly public statistics report of the program’s progress. Reports are posted to the CRSP Advisory Board’s website at osc.ct.gov/CRSA/Reports.html.

Figure i. Chart of Weekly Asset Growth from July 5, 2022 to June 27, 2023.

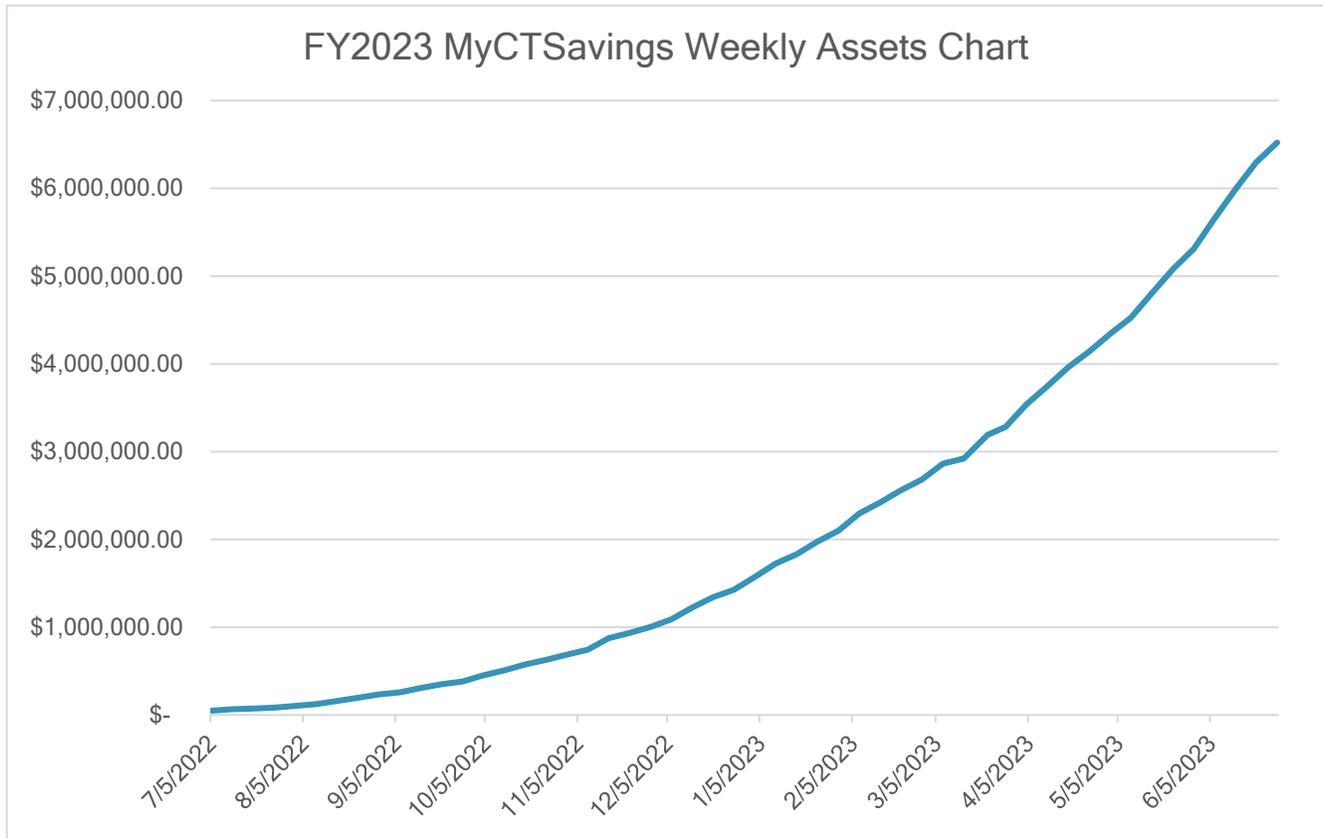
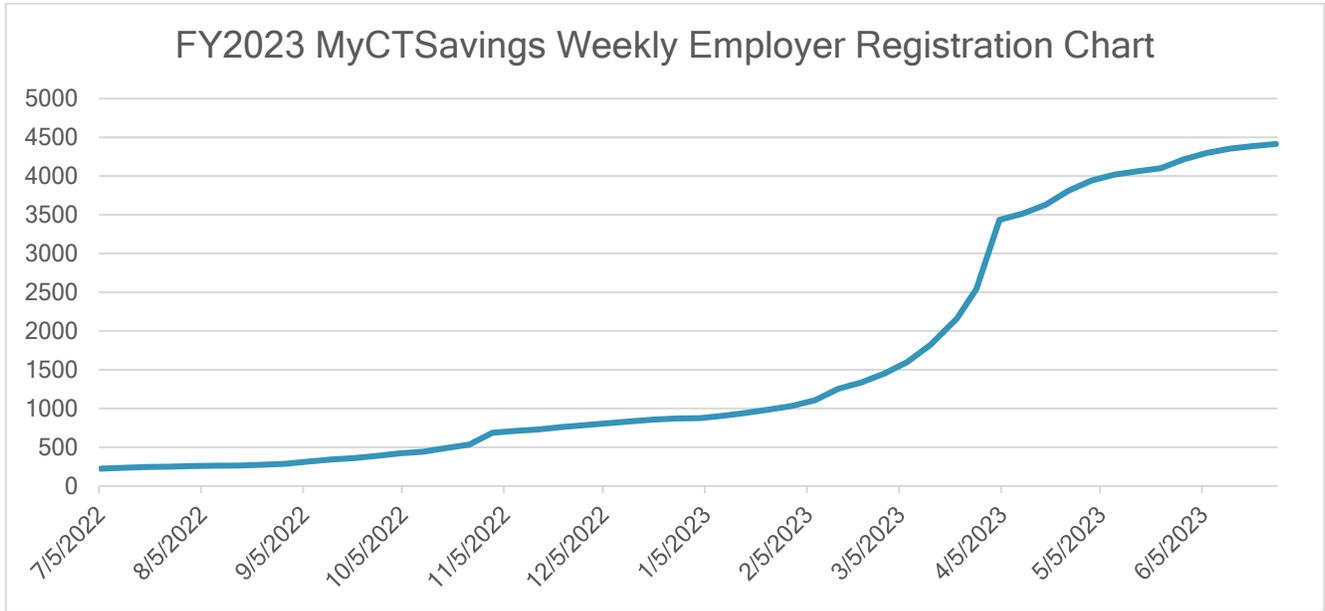
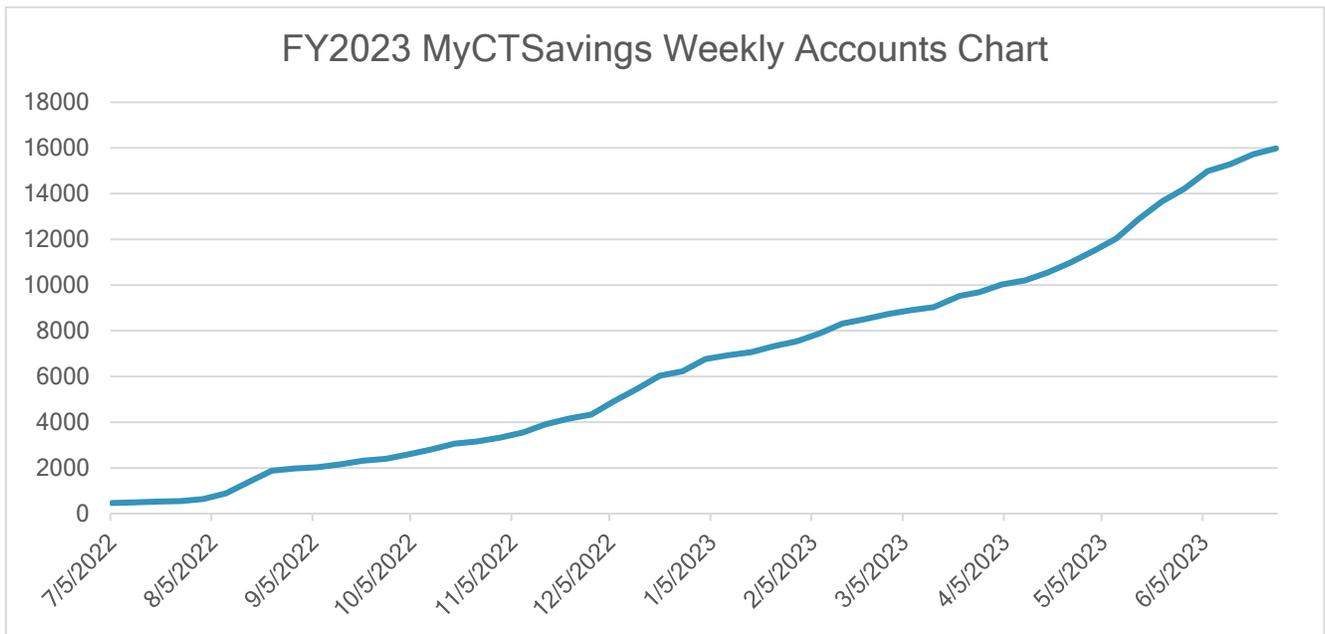


Figure ii. Chart of Employer Registration Growth from July 5, 2022 to June 27, 2023.



Employer registrations similarly spiked around the Program’s original wave deadlines of October 2022, and especially in March 2023, which was the deadline for the largest outreach wave of nearly 19,000 employers.

Figure iii. Chart of Weekly Funded Accounts Growth from July 5, 2022 to June 27, 2023.



Funded accounts also continued to grow steadily, with new accounts rising after all deadlines.

Figure iv. Example of the Fiscal Year 2023 CT Public Report.

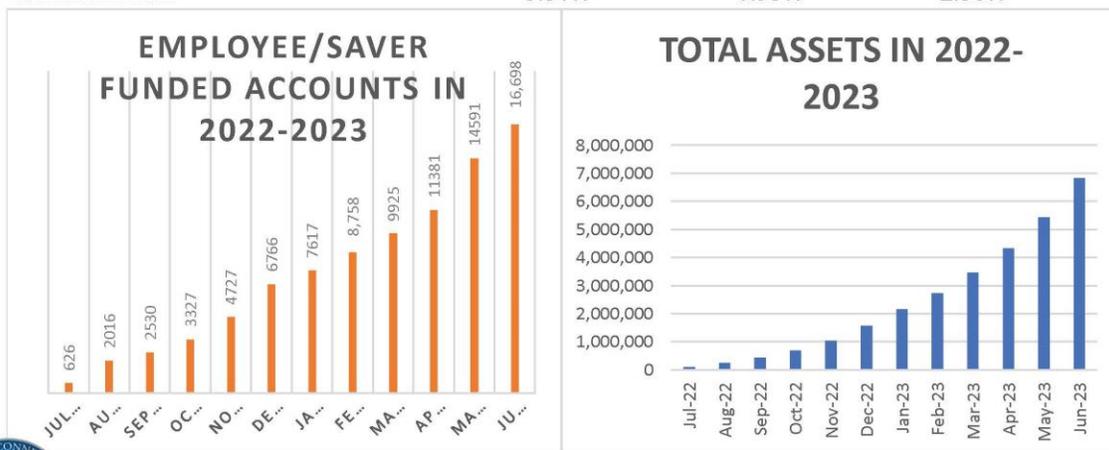
MyCT Savings

FISCAL YEAR 2023

Employers	6/30/2023	7/31/2022	Change
Employers Registered	4435	256	4179
Employers That Started Payroll Deductions (Since Inception)	1686	73	1613
Employers Facilitating Deductions (last 90 days)	1669	73	1596
Self-Exempted Employers	7548	1612	5936

Employee/Savers	6/30/2023	7/31/2022	Change
Funded Accounts	16180	626	15554
Payroll Contributing Accounts	16698	642	16056
Opt-Out Rate (first 30 days)	18.97%	27.44%	-8.47%
Multiple Employer Accounts	4203	474	3729
Self-Enrolled Funded Accounts	41	0	41

Funding	6/30/2023	7/31/2022	Change
Total Assets	\$6,831,587.99	\$95,392.02	\$6,736,195.97
Average Funded Account Balance	\$422.22	\$152.38	\$269.84
Total Contributions	\$6,855,653.68	\$95,587.53	\$6,760,066.15
Average Monthly Contribution Amount	\$107.68	\$86.75	\$20.93
Median Monthly Contribution Amount	\$76.48	\$62.03	\$14.45
Average Contribution Rate	3.33%	3.52%	-0.19%
Amount of Withdrawals	\$303,907.14	\$841.38	\$303,065.76
Accounts with a Full Withdrawal	586	6	580
Accounts with a Partial Withdrawal	127	1	126
Withdrawal Rate	3.51%	0.93%	2.58%



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.

FY2023 FINANCIAL ACTIVITIES

FISCAL YEAR NARRATIVE SUMMARY

July 1, 2022 – June 30, 2023

Legislative Change from CRSA to CRSP. Changes in Funding Structure.

The former CRSA was supported by a line of credit from the state of up to \$1,000,000, from which it had drawn a total of \$455,000 in previous fiscal years. The former Authority had not yet earned revenues by the beginning of Fiscal Year 2023.

On July 1st of 2022, through Public Act 22-118, the former Authority was dissolved, and the operations, debits, and credits of the Program came under the purview of the Office of the State Comptroller. The OSC became the successor agency to the Authority, and the \$455,000 payable to the former Authority's line of credit also moved to the OSC.

Additionally, as of July 1st, 2022, Public Act 22-118 stated that "any money expended from the General Fund for the purpose of administering the Connecticut Retirement Security Program, or providing compensation for covered employees, shall be reimbursed to the General Fund not later than October 1, 2023."

Program Revenues.

The Program is designed to earn the revenue to become self-sustaining through fees on the investment assets. The fees are established at a rate of 2 basis points on investment assets plus a two dollar (\$2) flat fee per year, per account. Fees were waived for the first six months of the Program, so no revenues were collected from participating accounts until October 2022. By the end of FY2023 the Program had received \$2,983.80 in revenues from these fees.

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, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	\$ -	\$ 126,385
Line of credit receivable	-	-
Total Assets	<u>-</u>	<u>126,385</u>
Liabilities and Net Position		
Liabilities		
Line of Credit Payable	455,000	455,000
Other Amounts Owed To The State	441,104	
Accounts payable and accrued expenses	-	71,498
Total Liabilities	<u>896,104</u>	<u>526,498</u>
Net Position	<u>\$ (\$896,104)</u>	<u>\$ (400,113)</u>

CRSP FINANCIAL STATEMENTS

Statement of Changes in Net Position

FOR THE FISCAL YEAR ENDED JUNE 30, 2023 AND JUNE 30, 2022

	2023	2022
Additions		
Fees on Investment Assets	\$2,984	\$ -
Total Additions	2,984	-
Deductions		
Personnel Expenses	353,275	
Legal Services	87,622	124,793
General Consulting	52,399	37,380
Investment Consulting	-	15,000
Other Expenses	5,679	
Total Deductions	498,975	177,173
Net Change in Net Position	-495,991	-177,173
Net Position - Beginning of the period	-400,113	-222,940
Net Position - End of the period	(\$896,104)	(\$400,113)

Note 1: Salaries Associated with Personnel Expenses were \$186,433. Fringe Benefits associated with Personnel Expenses were \$166,842.

Note 2: Vestwell State Savings Fees on Assets and Accounts Maintained were \$35,473 through June 30, 2023.

FUTURE ACTIVITIES FOR FY2024



Implement of Wave 2023

In June 2023 MyCTSAvings began to prepare for its first annual wave for newly eligible employers. An estimated 11,000 businesses will be contacted in July of 2023 for a deadline of August 31, 2023, which will coincide with the extended deadline date for employers in waves 1 to 3. 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 2023 reminding employers to take an action.

Closing out the Extended Deadline

Following the close of the third wave on March 30, 2023, the Comptroller formally extended the deadline to register for employers to August 31, 2023. The Program will focus on reaching and registering as many employers as possible before the extended deadline. Employers will receive a final communication reminding them to take action two weeks prior to the extended deadline with educational materials and instructions for sign-up. The CRSP will also reach out to chambers and industry groups to increase awareness of upcoming deadline, including co-hosting outreach events and promotion at organizational meetings.

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, paid advertisements for radio and television placements, press releases to news organizations, hosting webinars and seminars about the Program, and direct engagement with industry groups at meetings and trade shows.

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 2023 and the extended deadline, the Program will formulate a policy and outreach plan to continue to inform employers of statutory requirements and encourage compliance with the law. 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.