



## Frequently Asked Questions

### What is MyCT Savings?

MyCT Savings is a state-sponsored retirement savings program for businesses with five or more employees that do not offer a qualifying retirement plan. State law requires that businesses that do not offer a retirement option to either sign up for MyCT Savings or provide a qualified retirement plan to their employees by **August 31, 2023**.

The program is sponsored by the Office of the State Comptroller. Connecticut was the fourth state to launch a private sector retirement savings program, often called "Auto-IRA" programs. Fifteen states have now passed laws to establish their own auto-IRA programs, seven of which are operational. The State Comptroller has fiduciary responsibility for the program's assets.

### Why was the program established?

Research from the Pew Charitable Trusts<sup>1</sup> shows that nationally, 56 million private sector workers do not have an opportunity to save for retirement at work, and in Connecticut the number is estimated to be 600,000. The lack of access to a payroll deduction can make the difference between a worker saving or not saving for retirement. This gap in access has resulted in insufficient savings for retirement, which will leave many people looking to federal and state governments for assistance.

Pew estimates that that in Connecticut, the lack of retirement savings could result in increased demand for state assistance of up to \$6.5 billion over the next 20 years.<sup>1</sup>

That burden on taxpayers can be reduced or eliminated if more state residents have the opportunity to save for retirement either through MyCT Savings or a private plan offered by their employer. With a payroll contribution option, workers will be able to plan and save for a more stable, financially secure retirement.

### How will businesses know if they need to participate?

In April of 2022, MyCT Savings started sending notifications to businesses that qualified for the program with instructions to register for MyCT Savings or certify that the business offers a qualified retirement plan. In July of 2023, notices will be sent to businesses established since December of 2022, or businesses that now have enough employees to qualify for the plan.

continued

## How does MyCT Savings work?

The notifications sent to businesses include an access code to be used to log into [www.myctsavings.com](http://www.myctsavings.com) to register the business. There is no cost to employers to facilitate the program. Employers who do not have a qualifying retirement plan register their business on a secure online portal, then upload the information required for all their eligible employees into the portal.

After uploading the employee information, MyCT Savings contacts the employees to explain their options: payroll contributions to a Roth IRA with standard investment options into a target date fund, a selection of other portfolio mixes based on their personal risk tolerance, or to opt-out of the program. Employees who make no selection are automatically enrolled into the standard target date fund based on their year of birth. Participation for employees is voluntary and they may opt-out of the program at any time.

Once employees choose their option, MyCT Savings provides payroll reports on the businesses' payroll cycle, instructing them to submit employee payroll contributions. The process can also be managed by a payroll provider.

## What if the business already offers a retirement plan?

MyCT Savings worked to pre-exempt employers that have filed documents indicating their business offers a retirement plan. However, that information is not available for all, so some employers that offer a retirement plan will still receive a notification. If so, they can log onto [www.myctsavings.com](http://www.myctsavings.com) and enter the access code from their notification to certify their exemption to the program.

## Contact MyCT Savings

The [www.myctsavings.com](http://www.myctsavings.com) website has resources for employers including "how-to" videos on how to register and submit payroll information. For employees, resources include a retirement savings calculator to help savers determine how much to save to meet their retirement needs.

**Employer Assistance: 1-833-811-7435**

**Employee Customer Service: 1-833-811-7436**

[Clientservices@myctsavings.com](mailto:Clientservices@myctsavings.com)



<sup>1</sup>Pew Charitable Trusts [State Automated Retirement Programs Would Reduce Taxpayer Burden From Insufficient Savings | The Pew Charitable Trusts \(pewtrusts.org\)](https://www.pewtrusts.org)