MI SECURE RETIREMENT

WHAT WILL THIS BILL DO?

This bill will **create a retirement savings program for employees** whose employer does not already offer some sort of retirement program. The employee can opt out at any time and has full control of their contribution rates.

HOW WILL THIS BE ACHIEVED?

MI Secure Retirement will be a public-private partnership professionally managed by a third-party financial firm overseen by the MI Secure Retirement board and the Department of Treasury. This bill will create a board within the Michigan Department of Treasury to oversee and implement the program. This public-private partnership will be managed similarly to the Michigan Education Savings Program (MESP).

HOW DOES THIS AFFECT EMPLOYERS?

Employers will need to register their employees in the program through a similar method as payroll. In other states, this process takes approximately 15-30 minutes for employers.

The MI Secure Retirement board will be required to provide ample information on employer and employee guidance to the program on their website. There will be a slow rollout for employers to ensure a smooth transition.

WHY IS THIS NECESSARY?

This will save Michigan taxpayers money and set people up for fiscally independent retirement. Michigan taxpayers will spend an additional $11.2 billion on state assistance from 2021 to 2040 due to insufficient retirement savings. The ratio of Michigan households 65 and older to those of working age is expected to grow by 45% from 2020 to 2040. This older population growth results in a tax obligation that will be borne by an ever-smaller share of the working age population, major drivers of the tax base.

This bill will allow people who otherwise do not have access to some form of retirement savings to save for their retirement. Retirement savings helps with generational wealth, economic mobility, job stability and promoting financial literacy.

HOW WILL THIS PROGRAM BE FUNDED?

At first, this program will be funded through a **one-time appropriation**. Once the program is up and running, it will become **self-funding**. The Pew Charitable Trusts, based on other programs across the county and eligibility estimates, has estimated a $1.5 million appropriation in the program's first year and $1 million appropriation in subsequent years. By year four, it is estimated that the program will become self-sufficient and no longer require an annual appropriation from the state.

MIKE MCFALL
STATE REPRESENTATIVE

Contact my office for more information:
(517) 373-3815 • MikeMcFall@house.mi.gov • RepMcFall.com

Printed in-house.