

EMPOWER & NH HICKS

Presentation

CalSavers ... The Final Deadline
Retirement Plan Mandate Coaching
Workshop

November 19th, 2025

People Matter & Experience Counts

Host & Presenters



NH HICKS

LEGAL AND PENSION CONSULTANTS

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- o Over 30 years in the retirement plan industry
- o 25 years at Empower as a regional sales director
- o Lives in Napa with his 3 dogs.

Maria Rayas McPhee (720) 470-4245 maria.mcphee@empower.com

- o 10 years of retirement experience in service and sales
- o 4 years of leading Empower internal business resource group for Latin employees, focus on driving resources for Spanish speaking clients
- o Lifelong athlete, music lover, wife and mom

Chris Ressa (916) 316-5932 cressa@nhhicks.com

- o 2nd year as a TPA consultant with NH Hicks
- o 15 years as an advisor focused on selling and managing retirement plans
- o 19 years as an educator and coach

CalSavers ... The Final Deadline Workshop Agenda

- Small Plan Market Opportunity
- Final Plan Set Up Deadline
- CalSavers Plan Features
- CalSavers vs 401(k) Comparisons
- Plan Design Illustrations



Small Plan Market Opportunity



*Clippings from planadviser article on
January 9, 2025*

Micro-401(k) Plan Market Ripe for Non-Specialist Adviser Growth

The market for 401(k) plans with less than \$5 million in assets is poised to hit 1 million plans by the end of the decade, with wealth advisers poised to capitalize

the micro-plan 401(k) market—those with less than \$5 million in assets—will rise to more than 1 million plans by about 2029, driven in part by state mandates and federal tax incentives, according to a [retirement markets](#) report

Non-specialist wealth advisers, in particular, may particularly benefit because they will “capitalize on existing relationships with small business owners” to sell retirement plans to these clients,”

CalSavers Deadlines



CalSavers Register or Certified Exemption Deadlines

- Deadline September 20, 2020, for employers with ***more than 100*** employees
- Deadline June 30, 2021, for employers with ***more than 50*** employees
- Deadline June 30, 2022, for employers with ***more than 4*** employees
- ***Final Deadline December 31, 2025, for employers with 1 to 4 employees***

CalSavers Deadlines



What if I am a company setting up a plan for January 1st , 2026?

- **You will be fine**; there is a process in place before penalties are enforced.
- Make sure go onto the CalSavers website and “Certify Exemption” that you have a qualified plan in place **before** the Final Deadline December 31, 2025.
- CalSavers will send a company notification that they are out of compliance. After **90 days from notification** of being out of compliance, then CalSavers begin enforcing the penalty fines.

*Exempt employers include government entities, state/county/municipal, religious organization or a tribal organization.

CalSavers Program

Deadline *December 31, 2025*



Covered Employers

- **1 or more employees.**
- If you are a **new business** with one or more employees, the CalSavers mandate applies **90 days** reaching employee threshold.
- Have **not maintained a tax-favored retirement plan** for their employees.

CalSavers Program

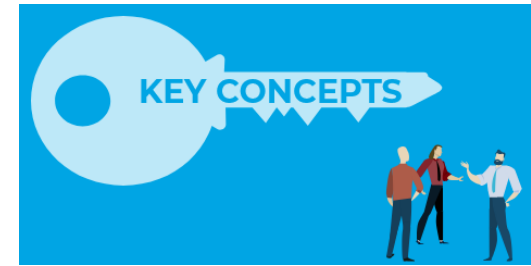
Deadline *December 31, 2025*



Covered Employees

- Have been employed by their current employer for **30 days or more**.
- Are **18 years or older**.
- Receive **wages or other compensation** from their employer allocable to **California**.

CalSavers Program



Key Concepts

CalSavers	
Plan Type	Roth IRA program where contributions are made through company payroll.
Investment Provider	Administered by Ascensus
Auto-enroll	5% following the employees 30 th day of employment, unless the employee makes a positive election .
Auto-escalation	Yes, increases by an additional 1% on each January 1 st , up to a cap of 8%.
Fees	Cost-free for employers. Employees will pay all the plan fees (approximately 0.83% - 0.99% in investment fees).
Investments	Details on later slides.
Penalites	1) \$250 per eligible employee if noncompliance extends 90 days 2) \$500 per eligible employee if noncompliance for 180 days

*Roth IRA income thresholds apply to CalSavers. For single filers full contributions are phased out if MAGI is over \$150,000 and for Married Filing Jointly is MAGI over \$236,000.

CalSavers Program



Plan Sponsor Responsibilities

CalSavers Program	
Register	Register and onboard your company and employees through the CalSavers employer portal. Ascensus sends direct communication to each registered eligible employee.
Payroll Contributions	Fund your payroll contributions via ACH to allow automated transfers.
360 Payroll Integration	Employer to contact payroll company to set up 360 payroll integration with Ascensus. This optional service may come as an addition cost.
Ongoing Responsibilities	Ensure payroll system reflects accurate entries for employees (new hires, terminations, ...) and banking details in sync.

CalSavers Program



Target Date Investments

Fund Name	Ticker
State Street Target Retirement Fund - Class K	SSFOX
State Street Target Retirement 2025 Fund - Class K	SSBSX
State Street Target Retirement 2030 Fund - Class K	SSBYX
State Street Target Retirement 2035 Fund - Class K	SSCKX
State Street Target Retirement 2040 Fund - Class K	SSCQX
State Street Target Retirement 2045 Fund - Class K	SSDEX
State Street Target Retirement 2050 Fund - Class K	SSDLX
State Street Target Retirement 2055 Fund - Class K	SSDQX
State Street Target Retirement 2060 Fund - Class K	SSDYX
State Street Target Retirement 2065 Fund - Class K	SSFKX
State Street Target Retirement 2070 Fund - Class K	SSFKX

Default Investment Option: Contributions made during the first 30 days will be invested temporarily in the *CalSavers Money Market Fund*. *After 30 days*, the funds will be exchange automatically to a CalSavers ***Target Retirement Date Fund*** based on your age.

CalSavers Program



Non-Target Date Investments Options

Category	Fund Name	Ticker
Money Market Fund	State Street Institutional U.S. Government Money Market Fund	GVMXX
Core Bond Fund	State Street Aggregate Bond Index Fund	SSFEX
Environmental, Social, Governance Fund	Calvert US Large-Cap Core Responsible Index Fund	CSXRX
Global Equity Fund (Comp A)	State Street Global All Cap Equity Ex-US Index Fund	SSGLX
Global Equity Fund (Comp B)	State Street 500 Index Fund	SSSYX

Default Investment Option: Contributions made during the first 30 days will be invested temporarily in the *CalSavers Money Market Fund*. *After 30 days*, the funds will be exchange automatically to a CalSavers ***Target Retirement Date Fund*** based on your age.



CalSavers Program



Plan Comparison Features

Which Benefit Would You Like To Offer Your Employees?

Category	401(k)	CalSavers
Contribution Limit	\$23,500	\$7,000
Catch-up Contribution	\$7,500	\$1,000
Enhanced Catch-up (Age 60-63)	\$11,250	No
Pre-tax Contributions	Yes	No
Roth (After-tax)	Yes	Yes
Match Allowed	Yes	No
Employer Non-Elective	Yes	No
Loans	Yes	No
Investment Options	Broad Selection	Limited Selection
New Plan Tax Credits	Yes	No
Employer Contribution Tax Credit	Yes	No
Automatic Enrollment Tax Credit	Yes	No
Plan Portability	Yes	No

*For the 2025 tax year, the total contribution limit across all your IRAs – whether CalSavers, Roth, traditional is the \$7,000 and \$8,000 if you are 50 or older.

**81% of employees consider retirement plan benefits extremely valuable. They rank second in importance only to health benefits.

CalSavers Program



CAN YOUR STARTUP GET
A TAX CREDIT FOR
HAVING A 401(K)?

Secure 2.0 Start Up Credit Analysis For 4 NHCE Employees

Start-up Tax Credit (SEP/Simple/QRP): Covers 100% of employer's out-of-pocket plan costs up to the greater of \$500; or \$250 x NHCE, up to \$5,000 for the first 3 years.

➤ **Example:** $\$250 \times 4 = \$1,000$

Employer Contribution Tax Credit: Covers 100% of employer's contributions up to \$1,000 per NHCE making less than \$100,000 per year. The credit is 100% in the first 2 years, 75% in year 3, 50% in year 4, and 25% in year 5.

➤ **Example:** $\$1,000 \times 4 = \$4,000 / \$4,000 / \$3,000 / \$2,000 / \$1,000$

Automatic Enrollment Tax Credit: Employers can earn \$500 per year for the first 3 years for including an automatic enrollment feature in their plan setup.

Start-up Tax Credit Calculations					
Category	2026	2027	2028	2029	2030
Start-Up (3 Years)	\$1,000	\$1,000	\$1,000	\$0	\$0
ER Contribution (5 Years)	\$4,000	\$4,000	\$3,000	\$2,000	\$1,000
Automatic Enrollment (3 Years)	\$500	\$500	\$500	\$0	\$0
Totals	\$5,500	\$5,500	\$4,500	\$2,000	\$1,000

CalSavers Program



CAN YOUR STARTUP GET
A TAX CREDIT FOR
HAVING A 401(K)?

Secure 2.0 Start Up Credit Analysis What about for a nonprofit 501(c)(3)?

Small Nonprofit Retirement Security Act

Overview

The Small Nonprofit Retirement Security Act is ***proposed legislation*** intended to make federal retirement plan tax credits more accessible to tax-exempt nonprofit organizations, specifically those classified as 501(c)(3) entities.

Key Provisions of the Proposed Bill

- Makes existing SECURE 2.0 tax credits ***refundable against payroll tax liabilities***.
- ***Retroactively*** applies credits to eligible plans adopted after ***SECURE 2.0's enactment on 12/29/22***.
- Targets small 501(c)(3) nonprofits that typically don't benefit from non-refundable income tax credits.

*As of November 8th, 2025, the measure is **only introduced** and **has not been enacted**.


CalSavers Program



Plan Portability

ROLLOVER CHART



		Roll To							
		Roth IRA	Traditional IRA	SIMPLE IRA	SEP-IRA	Governmental 457(b)	Qualified Plan ¹ (pre-tax)	403(b) (pre-tax)	Designated Roth Account (401(k), 403(b) or 457(b))
Roll From	Roth IRA	Yes ²	No	No	No	No	No	No	No
	Traditional IRA	Yes ³	Yes ²	Yes ^{2, 7} , after two years	Yes ²	Yes ⁴	Yes	Yes	No
	SIMPLE IRA	Yes ³ , after two years	Yes ² , after two years	Yes ²	Yes ² , after two years	Yes ⁴ , after two years	Yes, after two years	Yes, after two years	No
	SEP-IRA	Yes ³	Yes ²	Yes ^{2, 7} , after two years	Yes ²	Yes ⁴	Yes	Yes	No
	Governmental 457(b)	Yes ³	Yes	Yes ⁷ , after two years	Yes	Yes	Yes	Yes	Yes ^{3,5}
	Qualified Plan¹ (pre-tax)	Yes ³	Yes	Yes ⁷ , after two years	Yes	Yes ⁴	Yes	Yes	Yes ^{3,5}
	403(b) (pre-tax)	Yes ³	Yes	Yes ⁷ , after two years	Yes	Yes ⁴	Yes	Yes	Yes ^{3,5}
	Designated Roth Account (401(k), 403(b) or 457(b))	Yes	No	No	No	No	No	No	Yes ⁶

Employer Plan Design Considerations

Ask The Questions



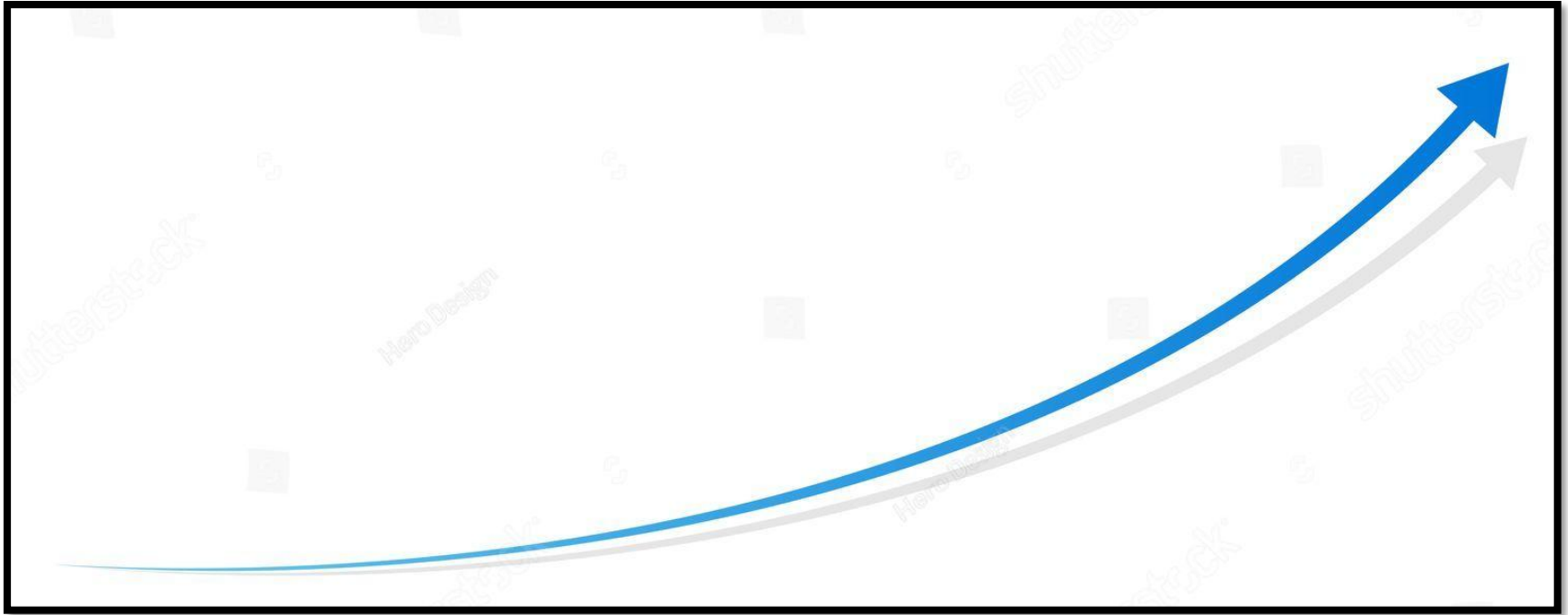
SCENARIO 1
Only active employees

ID	# OF EMPLOYEES	
1		29-Nov-2012
2 Baker		22-Mar-2014
3 Clark		19-Jul-2018
4 Davis		18-Jun-2002
5 Evans		04-Mar-2021

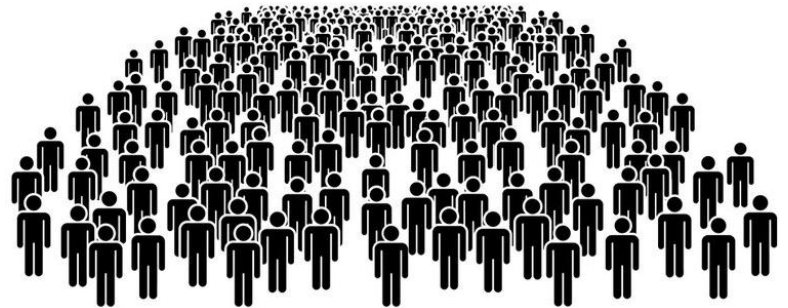


Plan Design Spectrum

Employer Costs to Employees (\$)



Number of Employees (#)



Tax Savings Plan

Employee Benefit Plan

Proposal Request Form 1st Page

PROPOSAL REQUEST

Today's Date: _____

Requested by: _____

Proposal for Plan Year: _____

Phone number: _____

This is for a: ☐ New Plan ☐ Takeover Plan

Email: _____

Client Profile:

Company Name: _____ Contact: _____

Phone: _____ Address: _____

Date Business Commenced: _____ Fiscal Yearend: _____

Type of Entity: ☐ C-Corp ☐ S-Corp ☐ Partnership ☐ Not-for-profit ☐ Sole Proprietor

☐ LLC (taxed as ☐ Corp/ ☐ Partnership) ☐ Other: _____

Primary business is _____

List owners, officers and ownership percentage:

Name:	% Owned	Name	% Owned
_____	_____	_____	_____
_____	_____	_____	_____

(If any of the above own an interest in another company, please indicate with an *)

Does the employer currently have a plan? ☐ No ☐ Yes Specify: _____

Additional comments about plan: _____

Are they interested in a specific plan? ☐ No ☐ Yes Specify: _____

Employer wishes to contribute approximately: \$ _____ per year.

The primary objective of the plan is (rate by importance 1-4, with 1 being first priority)

___ Tax Deduction ___ Employee Attraction/Retention ___ Employee Incentive ___ Creditor Protection

Are there other desires or concerns? Please explain: _____

The completed forms can be given to your consultant or sent to Chris Ressa at
cressa@nhhicks.com or FAX (530) 226-0272.

Proposal Request Form 2nd Page

CENSUS DATA FOR PROPOSAL PREFERRED IN EXCEL FORMAT

Company:

Contact:

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Phone:

Entity:

Year End:

If you are requesting a Defined Benefit proposal, see note below for additional information needed.

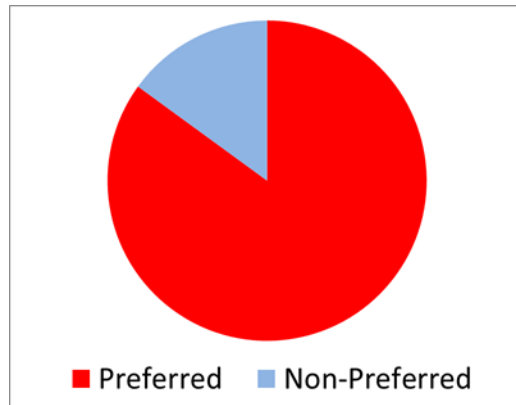
Owners & Employees	Birth Date	Hire Date	Total Annual Compensation	Annual Salary Deferral	1,000 Hours in Any Year	Term Date	Owner %, Officer, Family
Totals							

Note: If requesting a proposal for a Defined Benefit Plan, also provide us with the owners' compensations for the 3 prior calendar years. Compensation is W-2 for C and S-Corporations, Schedule C Net-Income for Sole Proprietor and K-1 Net-income for Partnership.

2025 4% SH Match Illustration

Participant Name	Age	Pay	Elective Deferral	Safe Harbor	%	Total
Preferred						
Owner 1	56	\$286,000.00	\$31,000.00	\$11,440.00	4.00%	\$42,440.00
Owner 2	60	\$286,000.00	\$34,750.00	\$11,440.00	4.00%	\$46,190.00
Preferred - Total		\$572,000.00	\$65,750.00	\$22,880.00		\$88,630.00
Non-Preferred						
EE 1	36	\$116,113.00	\$6,967.00	\$4,644.52	4.00%	\$11,611.52
EE 2	60	\$98,040.00	\$25,500.00	\$3,921.60	4.00%	\$29,421.60
EE 3	37	\$105,427.00	\$4,218.00	\$4,217.08	4.00%	\$8,435.08
EE 4	34	\$84,840.00	\$3,394.00	\$3,393.60	4.00%	\$6,787.60
Non-Preferred - Total		\$404,420.00	\$40,079.00	\$16,176.80		\$56,255.80

Net Allocations to Preferred - 84.6% to 100%



Owners Tax Summary

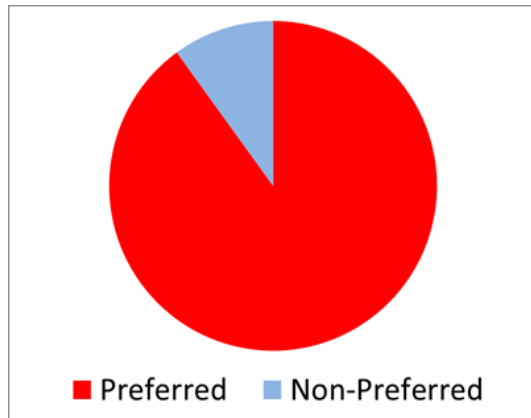
1. Employer's Combined Marginal Tax Rate:	35.00%
2. Total Deductible Employer Contribution:	\$104,806.80
3. Tax Benefit (1x2) :	\$36,682.38
4. After Tax Cost of Contribution (2-3) :	\$68,124.42
5. Total Allocations to Preferred:	\$88,630.00
6. Net Economic Benefit <Cost> (5-4) :	\$20,505.58

* SH Match plan automatically passes ADP Test and satisfies Top-Heavy Requirements.

2025 3% SHNEC Illustration

Participant Name	Age	Pay	Elective Deferral	Safe Harbor	%	Profit Sharing	%	Total
Preferred								
Owner 1	56	\$286,000.00	\$31,000.00	\$0.00	0.00%	\$25,740.00	9.00%	\$56,740.00
Owner 2	60	\$286,000.00	\$34,750.00	\$0.00	0.00%	\$25,740.00	9.00%	\$60,490.00
Preferred - Total		\$572,000.00	\$65,750.00	\$0.00		\$51,480.00		\$117,230.00
Non-Preferred								
EE 1	36	\$116,113.00	\$6,967.00	\$3,483.39	3.00%	\$0.00	0.00%	\$10,450.39
EE 2	60	\$98,040.00	\$25,500.00	\$2,941.20	3.00%	\$0.00	0.00%	\$28,441.20
EE 3	37	\$105,427.00	\$4,091.00	\$3,162.81	3.00%	\$0.00	0.00%	\$7,253.81
EE 4	34	\$84,840.00	\$2,915.00	\$2,545.20	3.00%	\$0.00	0.00%	\$5,460.20
Non-Preferred - Total		\$404,420.00	\$39,473.00	\$12,132.60		\$0.00		\$51,605.60

Net Allocations to Preferred – 90.6%



Owners Tax Summary

1. Employer's Combined Marginal Tax Rate:	35.00%
2. Total Deductible Employer Contribution:	\$129,362.60
3. Tax Benefit (1x2) :	\$45,276.91
4. After Tax Cost of Contribution (2-3) :	\$84,085.69
5. Total Allocations to Preferred:	\$117,230.00
6. Net Economic Benefit <Cost> (5-4) :	\$33,144.31

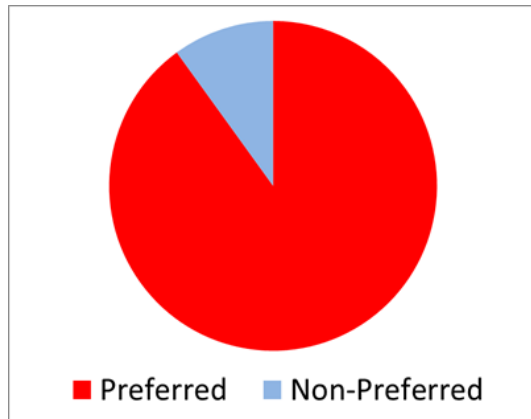
* SHNEC plan automatically passes ADP Test and satisfies Top-Heavy Requirements.

** Illustration passes both Minimum Gateway Contribution of one-third and Average Benefits Test.

2025 3% SHNEC Max Illustration

Participant Name	Age	Pay	Elective Deferral	Safe Harbor	%	Profit Sharing	%	Total *
Preferred								
Owner 1	56	\$286,000.00	\$31,000.00	\$0.00	0.00%	\$46,500.00	16.26%	\$77,500.00
Owner 2	60	\$286,000.00	\$34,750.00	\$0.00	0.00%	\$46,500.00	16.26%	\$81,250.00
Preferred - Total		\$572,000.00	\$65,750.00	\$0.00		\$93,000.17		\$158,750.00
Non-Preferred								
EE 1	36	\$116,113.00	\$6,967.00	\$3,483.39	3.00%	\$2,322.26	2.00%	\$12,772.65
EE 2	60	\$98,040.00	\$25,500.00	\$2,941.20	3.00%	\$1,960.80	2.00%	\$30,402.00
EE 3	37	\$105,427.00	\$4,091.00	\$3,162.81	3.00%	\$2,108.54	2.00%	\$9,362.35
EE 4	34	\$84,840.00	\$2,915.00	\$2,545.20	3.00%	\$1,696.80	2.00%	\$7,157.00
Non-Preferred - Total		\$404,420.00	\$39,473.00	\$12,132.60		\$8,088.40		\$59,694.00

Net Allocations to Preferred – 88.7%



Owners Tax Summary

1. Employer's Combined Marginal Tax Rate:	35.00%
2. Total Deductible Employer Contribution:	\$178,971.17
3. Tax Benefit (1x2) :	\$62,639.91
4. After Tax Cost of Contribution (2-3) :	\$116,331.26
5. Total Allocations to Preferred:	\$158,750.17
6. Net Economic Benefit <Cost> (5-4) :	\$42,418.91

* SHNEC plan automatically passes ADP Test and satisfies Top-Heavy Requirements.

** Illustration passes both Minimum Gateway Contribution 5% corridor and Average Benefits Test.

*** Discretionary Profit Sharing of \$8,088 can have up to a 6-year vesting schedule (0%,20%,40%,60%, 80%,100%).



Plan Set Up Deadlines



CalSavers Register or Certified Exemption

- Deadline December 31, 2025, for employers with 1 to 4 employees

Adding a New Profit-Sharing Plan (Partnership & S-Corp) for 2025

- Deadline: September 15, 2026

Adding a New Profit-Sharing Plan (C-Corp) for 2025

- Deadline: October 15, 2026

Adding a New Defined Benefit Plan for 2025

- Deadline: September 15, 2026

Adding a New 401(k) Plan for Sole Proprietor for 2025

- Deadline: October 15, 2026

New Safe Harbor 401(k) Plan for 2026

- Deadline: October 1, 2026 (At Least 3 Months in Calendar Year)

Adding a Safe Harbor Match 401(k) Plan for January 1, 2026

- Employees 30-day notice requirement
- Plan document by December 31, 2025

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LEGAL AND PENSION CONSULTANTS

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- o Over 30 years in the retirement plan industry
- o 25 years at Empower as a regional sales director
- o Lives in Napa with his 3 dogs.

Maria Rayas McPhee (720) 470-4245 maria.mcphee@empower.com

- o 10 years of retirement experience in service and sales
- o 4 years of leading Empower internal business resource group for Latin employees, focus on driving resources for Spanish speaking clients
- o Lifelong athlete, music lover, wife and mom

Chris Ressa (916) 316-5932 cressa@nhhicks.com

- o 2nd year as a TPA consultant with NH Hicks
- o 15 years as an advisor focused on selling and managing retirement plans
- o 19 years as an educator and coach

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