

FISCAL NOTE

June 2, 2023

Bill No:	HB 577	Printer's No:	1304	Sponsor:	Rep. Mullins (D)
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COST / (SAVINGS)

Fund (s)	2022-23	2023-24
General Fund	See Below	See Below

SUMMARY: HB 577 establishes the Keystone Saves Program. Keystone Saves is a voluntary employee retirement savings program that would expand access to private sector individual retirement accounts (IRA) to the over two million Pennsylvania workers who currently have no opportunity to save for retirement at their place of employment.

ANALYSIS: The Keystone Saves Program would be administered through the Pennsylvania Treasury. It is a new program that will require building the infrastructure within the Treasury. In the initial years of building, the Treasury will need startup costs to ramp up. The bill provides that the program costs and administration are to be paid through the newly established Keystone Saves Administrative Fund. Funding is to be appropriated to the Treasury on a continuous basis.

FISCAL IMPACT: While the Keystone Saves Program is intended to be self-funded, the Treasury will require initial investment to ramp up the program. For consulting services, \$350,000 in costs for general, investment and legal consulting is anticipated. Staffing costs will be \$318,000 for a director and assistant director. Marketing to provide Keystone Saves information to employers and employees upfront will be \$500,000. Shared services startup costs will be \$100,000. These costs are for the first two years as the program is established. Startup costs for the first year will total \$1,268,000 with a total of \$2,536,000 for the first two years.

In subsequent years, the program administration will have costs of \$627,000 annually for staff which includes operating costs and adding 3 positions for outreach. Ongoing professional consulting costs will be \$275,000. Costs to meet auditing requirements of the program are \$50,000 annually. Ongoing marketing costs are \$250,000 and shared services costs are \$100,000. The annual costs for the program will be \$1,302,000 which is to be paid through the program. All startup costs for the Keystone Saves Program will be paid back to the General Fund in the first few years of operation.