

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	Executive Contact/Phone:
Mayor's Office		George Emerson / 733-9110

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

- a. Legislation Title:** AN ORDINANCE relating to employment in Seattle; adding a new Chapter 14.36 to the Seattle Municipal Code; and establishing a retirement-savings program for certain employees working in Seattle.
- b. Summary and background of the Legislation:** This legislation establishes a framework for a voluntary retirement savings program for people that work in Seattle. The program would begin between January 1, 2019 and January 1, 2021 and be governed by a seven-member board consisting of representatives from the City Executive, Council, and Retirement departments and non-City members of the public.

2. CAPITAL IMPROVEMENT PROGRAM

- a. Does this legislation create, fund, or amend a CIP Project?** ___ Yes ___ No

3. SUMMARY OF FINANCIAL IMPLICATIONS

- a. Does this legislation amend the Adopted Budget?** ___ Yes ___ No
- b. Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?**
The program, if implemented, is expected to protect the City's financial well-being as the cost of insufficient retirement savings is borne in part by higher spending on social services.
- c. Is there financial cost or other impacts of *not* implementing the legislation?**
Conversely, if the program is not implemented, the City should expect to see need for social services rise at a higher rate.

4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?**
The Finance Division of the Department of Finance and Administrative Services will create and administer a Fund which will be governed by the Seattle Retirement Savings Program Board of Administration
- b. Is a public hearing required for this legislation?**
No.

c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?

No.

d. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

e. Does this legislation affect a piece of property?

No.

f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?

A 2013 survey by the American Association of Retired Persons, titled “Not Making the Grade,” found that 24 percent of Washingtonians aged 45 to 64 had less than \$25,000 in savings and that 81 percent wished they had saved more for their retirement.

The issue of retirement insecurity has been worsened by wage stagnation and increased living costs that disproportionately impact low- and middle-income workers.

In 2016 the City commissioned a study by Pew Charitable Trusts that found that 40 percent of employees in the Seattle metropolitan area do not have access to a workplace retirement savings plan and that people of color and employees of small businesses are particularly disadvantaged. The study reported that 45 percent of black employees, 54 percent of Latino employees, and 47 percent of Asian employees lacked access to a workplace retirement savings plan compared to 37 percent of white employees.

The proposed program allows most people who work in Seattle to voluntarily enroll into a retirement savings plan that will professionally invest their contributions, giving access to an investment vehicle that has been inaccessible to make people from historically disadvantaged communities.

g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program’s desired goal(s).

The program aims to increase the number of employees in Seattle that have access to and contribute to a retirement savings plan. The Board will make an annual report to the Mayor and City Council on those and other measurements.

h. Other Issues:

List attachments/exhibits below: