



## Recommendation

June 17, 2025

Board Meeting

# Recommendation: Enter into a Partnership

 If funds were unlimited, a Stand Alone Program allows the most control and flexibility – especially related to investment choices.

**At this point, the Review Team recommends joining an existing Partnership:**

 Start-up costs approximately \$1M lower

 Lower participant fees

 Fees in a Partnership will trigger fee reductions faster than a Stand Alone Program

 As a start-up Program, we can use best practices from other States

 The investment line-ups are generally low-cost and designed for savers who do not have investment experience.

*Over 95% of participants in other states default to target date funds—and stay.*

# Partnership Recommendation

## Connecticut and Colorado's Strengths:

- ✓ Both Partnerships are well-run and professional
  - ✓ Vestwell is the Service Provider in both Partnerships
  - ✓ Similar voting structures
  - ✓ Identical start-up costs
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## Team recommends Colorado Partnership for the following reasons:

- SBI staff favors the investment options used by Colorado
- Colorado's current administrative fees are lower
- Colorado's administrative fees will likely reach break points sooner