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For Immediate Release
November 8, 2021
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New Mexico and Colorado Enter Historic Partnership for Retirement Savings

SANTA FE, N.M.—New Mexico Work and \$ave and the Colorado Secure Savings Program signed a first-in-the-country Memorandum of Cooperation to pursue a formalized partnership agreement for their Auto-IRA retirement-savings programs.

The programs are for private-sector workers who do not currently have access to a retirement-savings plan at work—about 430,000 New Mexicans and almost one-million Coloradans. This includes full-time, part-time, self-employed, and seasonal workers.

California, Illinois, and Oregon have had success with single-state IRA savings programs. The New Mexico/Colorado partnership represents the next step. Multi-state partnerships can provide a cost-effective, efficient way for states to fill the retirement-savings gap, which is the amount that workers have saved for retirement vs. the amount that they will actually need.

New Mexico Work and \$ave and Colorado Secure Savings are designed to be accessible, easy to use, and low cost for participants. The programs are also portable, to follow workers across jobs and state lines. Research indicates that many workers residing near the New Mexico/Colorado border work in both states.

The Memorandum of Cooperation highlights areas of collaboration including shared program administration, financial services, marketing/outreach, program evaluation, research, data collection, and participant privacy. The partnership may shorten the timeline for both programs' self-sufficiency and provide lower fees to participants through economies of scale.

“This retirement savings partnership between New Mexico and Colorado exemplifies the best in forward thinking and collaboration,” said New Mexico State Treasurer Tim Eichenberg. “Together our states can work with private-sector employers and employees to build retirement-savings security for those who might otherwise be left behind.”

“With this historic partnership, Colorado and New Mexico are working to ensure that a dignified and sustainable retirement isn’t only a dream for the privileged few,” said Colorado State Treasurer Dave Young. “This is one step in the right direction for a truly portable retirement benefit—one that carries across state lines.”

“Our partnership illustrates a shared vision and a commitment by Colorado and New Mexico to build a low-cost, portable retirement-savings program for our states’ private-sector workers,” said New Mexico Work and \$ave Executive Director Claudia Armijo. “By combining both states’ resources and saver participants, the partnership will ensure that the program is operational sooner, self-sustaining sooner, and workers can start saving sooner.”

“This partnership allows us to get more value out of the program that we are already working to establish,” said Colorado Secure Savings Program Director Hunter Railey. “It will benefit future participants by allowing us to reduce fees sooner, once the program’s implementation begins in October 2022. The partnership is open to working with other states as well.”

For more information, visit <https://nmsto.gov/special-programs/work-and-save/> and <https://treasury.colorado.gov/colorado-secure-savings-program>.

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