

State-based retirement plans for the private sector

States around the country are looking into ways of using the efficiencies of public retirement systems to administer new types of pension plans for private-sector workers. Below are brief summaries of plans that have either passed or are being considered. States whose names are highlighted below have introduced or enacted legislation to provide retirement plans for private-sector workers.

In addition to the below summaries, AARP's Public Policy Institute has established a [State Retirement Savings Resource Center](#), a library of policy papers, key facts, opinion pieces, and studies related to state-based plans for private-sector workers. The Pension Rights Center authored two papers -- one on [consumer protections](#) in such plans and one on the advantages of [pooled accounts](#).

In September 2015, the Government Accountability Office published a report, [Federal Action Could Help State Efforts to Expand Private Sector Coverage](#), which looks at coverage rates, efforts by states and other countries to expand coverage, and the obstacles states face in implementing new state-based plans.

Arizona

On January 22, 2014, Rep. [Martin Quezada](#) introduced [HB 2063](#), the Arizona Secure Choice Retirement Savings Program, a mandatory system of payroll deposit individual retirement savings arrangements (IRAs) for private employers in Arizona that have five or more employees and that do not offer other retirement plans to their workers. The bill was assigned to the House Appropriations and Rules Committees, and no further action was taken in the 2013-2014 legislative session.

California

On September 28, 2012, Governor Jerry Brown [signed](#) into law [S.B. 1234](#), the California Secure Choice Retirement Savings Trust Act. The bill, which was sponsored by Senator [Kevin de León](#), will eventually require that all businesses with five or more employees that do not already offer a retirement plan enroll them in a new type of savings plan based on IRAs.

California Secure Choice accounts differ from IRAs in several ways. The new system's investments would be professionally managed by the [California Public Employees' Retirement System](#) or another contracted organization. Employees would be automatically enrolled in the plan and would contribute about three percent of their wages through payroll deduction, although they could opt out of the plan. A modest benefit would be guaranteed through underwriting by private insurers, not by taxpayers.

Employers would not have any fiduciary liability involving the fund; they are only required to assist their employees by permitting them to use their payroll-deduction systems to make retirement fund contributions.

To date, the State has established the [California Secure Choice Retirement Savings Investment Board](#) and the California Secure Choice Retirement Savings Trust, as required by the statute. The Board has been meeting monthly since 2013, has raised the funds needed to pay for a market analysis and a legal analysis of the program and has selected the contractors for both studies. The contractors have presented updates on the status of the studies during the meetings and were expected to complete them by late 2015.

In February, 2016, Senator Kevin de Leon introduced SB 1234, a bill to legislatively enact the California Secure Choice Retirement Savings Trust Act, which was passed in 2012. The original legislation authorized the establishment of a California Secure Choice Retirement Savings Board which was directed to study and design the new retirement savings program. But final implementation of the program required enactment of additional legislation. The new SB 1234, if enacted, would fulfill that requirement. The bill was referred to the Senate Committee on Public Employment and Retirement where a hearing was held on April 12, 2016 and the legislation passed the Committee. SB 1234 was subsequently referred to the Senate Standing Committee on Appropriations where, on May 2, 2016, the bill was placed on the Suspense File.

Colorado

On February 19, 2015, [HB 1235](#) was introduced by Representatives [Brittany Pettersen](#) and [John Buckner](#), and State Senators [Pat Steadman](#) and [Nancy Todd](#). The bill would establish the Colorado Retirement Security Task Force to research, assess, and report on the factors that affect the retirement security of the citizens of Colorado. The Task Force would also make recommendations on the feasibility of creating a retirement savings plan for private-sector employees who do not otherwise have a retirement plan available through their employers.

The bill was assigned to the House Committee on Business Affairs and Labor, and, on March 24, 2015, it was amended and referred to the Appropriations Committee. This committee reported the bill to the House in April, where it was passed on April 20, 2015. The bill was introduced in the Colorado Senate on April 24 and assigned to the State, Veterans and Military Affairs Committee. On April 29, 2015, the Senate Committee recommended no further action be taken.

Connecticut

[SB 249](#), an Act Promoting Retirement Savings, was introduced into the Connecticut General Assembly in February 2014 by Representative [Joe Aresimowicz](#) and Senator [Martin Looney](#). The bill was voted out of the Labor and Public Employees Committee in March. Key provisions of the bill were incorporated into Connecticut's "[budget implementer](#)" bill, which was approved by the legislature on May 7, 2014 and signed into law by the Governor on May 28, 2014.

The legislation [dedicates \\$400,000](#) toward the establishment of a Connecticut Retirement Security Board and directs the board to conduct a market feasibility study and create a comprehensive implementation plan for a new state-administered retirement program. The implementation plan must be submitted to the Governor and General Assembly for final approval by April 2016.

If approved, the implementation plan would create an automatic IRA that would be administered by the appointed trust fund board, as in California. Employers with five or more workers would be required to participate unless they offer a different retirement savings plan to their employees. Unlike most IRAs bought in the private market, the money would be paid out as a lifetime annuity with an option for workers to select a lump-sum, helping to ensure that people will not outlive their assets while preserving worker's ability to choose the option best suited to their financial needs. Finally, a modest guarantee and low fees would protect the money saved by hard-working employees.

The [Retirement Security Board](#) has been meeting monthly since August 2014 and selected the Center for Retirement Research at Boston College along with a number of other organizations to conduct the required financial feasibility study and supporting materials. The contractors participated in several Board meetings in 2015 to present updates on their reports and other information. Two completed reports were presented in December 2015. The Retirement Security Board sent its Market Feasibility Report to the State Legislature by January 1, 2016, as was required by the law.

The Retirement Board held meetings in January and February, and on February 25, 2016, the Board submitted an implementation plan to the legislature in the form of legislation to establish the retirement savings program. HB 5591 was introduced on March 3, 2016 by Senator Martin Looney (D-11) and Representative Susan Johnson (D-49). The bill was referred to the Joint Committee on Labor and Public Employees where a hearing on the legislation was held on March 8, 2016.

HB 5591 would create a new quasi-public entity responsible for implementing the program through contracts with private-sector providers.

The proposed program would not be mandatory for businesses that currently already offer a 401(k) plan or other workplace-based retirement savings option to all employees; it would not require that participating employers contribute to the program (only that they provide a payroll deduction mechanism for employees to contribute); and employee participation in the savings would be voluntary (they would be automatically enrolled, but can opt out if they prefer).

The program could serve the nearly 600,000 Connecticut residents who currently have no access to workplace-based retirement savings.

The legislation also provides that:

- The quasi-public entity – or “authority” – would be empowered to delay the implementation date, in whole or in part, or for particular categories of employers, as it deems necessary to minimize any disruption or burden on employers.
- This entity would be subject to significant transparency provisions, including requirements that it provide the state comptroller with checkbook-level financial data to be included on the state's OpenCheckbook website.

- The authority would have educational, outreach and administrative oversight, but not enforcement powers.
- The authority would be governed by a board with defined fiduciary responsibilities. The fiduciary responsibilities are intended to replicate the duties under the Employee Retirement Income Security Act of 1974, which have been described as the highest duty under the law.
- Employers' compliance with the requirements of the program would be enforceable either through a private right of action or by the state Labor Commissioner.
- There would be additional safeguards in place to, among other things, ensure that contributions to the program are transmitted timely and safely.

Illinois

On December 3, 2014, the Illinois General Assembly [passed SB 2758](#), an Act creating the Illinois Secure Choice Savings Program, which was introduced by Senator [Daniel Biss](#). The bill was [signed into law](#) by Governor Pat Quinn on January 4, 2015. [Read our summary of the law.](#)

The Illinois Secure Choice Savings Board held meetings in August, November and December 2015 and its Investment Subcommittee held a meeting on December 9, 2015. The Office of the State Treasurer issued requests for proposals for an External Investment Advisor and for an ERISA Counsel in the fall of 2015. Meetings of the Board are expected to continue in 2016.

SB 2758 establishes a payroll-deduction IRA for workers whose employers do not offer any other retirement savings vehicle. The bill requires all businesses in existence for at least two years with 25 or more employees to automatically enroll their employees in the Secure Choice Savings Program unless they offer another retirement option to their workers.

Employees can determine a contribution level and select among a small number of investment options. A default contribution level of three percent of salary is offered to those who do not select one on their own, as is a default life-cycle investment fund for those who do not choose one from the options offered. Assets are pooled into a single fund and managed by the Illinois Treasurer and a qualified board, providing participants the benefit of low fees and competitive investment performance. Employees can choose to opt out of the program at any time.

The law is to be implemented within 24 months unless enough funds are not made available for the project. The Board must also find that the program is self-sustaining, that it is eligible for favorable federal tax treatment, and that it is not subject to the Employee Retirement Income Security Act of 1974 (ERISA).

Indiana

On January 13, 2015, [HB 1279](#) was introduced by Representative [Matthew Lehman](#) and a companion bill, [SB 555](#) was introduced by Senator [Greg Walker](#) into the Senate on January 20, 2015. The bills would create the Hoosier Employee Retirement Option (HERO) plan, which are portable IRAs for employees who do not have access to a retirement plan through their

employers. Employers with at least one employee and self-employed individuals would be eligible to participate, and participation by either the employer or the employees would be voluntary. Contributions to the accounts would be in post-tax dollars, and contribution amounts would be selected by the employee. If no selection is made, the default contribution rate is set at 3 percent of salary. Employers are not permitted to make any contributions into the accounts, including matching contributions.

The legislation would establish a board to design and implement the HERO program. The board is required to include at least one target-date fund and seven other diversified investment funds as investment options, and to establish a default fund if the employee fails to make a choice. Investment options must also include low-fee funds. Neither the state nor employers are liable for any investment performance.

The House bill was referred to the House Employment, Labor and Pensions Committee, and the Senate bill to the Committee on Pensions and Labor. No action has been taken on either bill.

Iowa

On February 16, 2016, SSB 3164 was introduced into the Iowa Senate by State Treasurer Michael Fitzgerald, and a companion bill, HF 2417, was introduced into the House on February 16, 2016 by Representative Bruce Hunter (D-34) and others. This bill creates the Iowa Retirement Savings Plan Trust under the Office of Treasurer of State for the purpose of helping Iowans save for retirement. The bill provides that the trust be operated so that, for federal tax purposes, it meets the requirements of a retirement plan as provided by the Internal Revenue Code. The state treasurer is the trustee of the trust and has numerous powers, as specified in the bill, for the purpose of carrying out the purpose of the trust, including entering into agreements with trust participants and employers, investing moneys in the trust, and entering into any agreements or contracts necessary to carry out the purposes of the trust. The bill provides that the state, the treasurer of state, and the trust may not guarantee any rate of return on any contributions to the trust and are not liable for any loss incurred by any person as a result of participating in the trust. The bill requires the treasurer to submit an annual audited financial report on the operations of the trust. The bill provides an appropriation to the treasurer of state for FY 2016-2017 for the purposes of establishing and managing the Iowa retirement savings plan trust.

The bill provides that when the requirements of the bill are enacted, the treasurer shall not allow individuals to make contributions to the trust earlier than July 1, 2018. The bill provides that the it will go into effect no earlier than July 1, 2017, and only on the date the treasurer of state notifies the Code editor, in writing, that no less than \$1.5 million has been appropriated to the treasurer of state for the purpose of the bill and that establishing an Iowa retirement savings plan trust is feasible, and applicable federal requirements make establishing the trust favorable for Iowans contributing to the trust.

SSB 3164 was referred to a Senate Ways and Means Subcommittee chaired by Senator Janet Petersen (D-18) on February 22, 2016 and a meeting was held on the bill on February 29, 2016. HF 2417 was referred to the House Commerce Committee and no further action has been taken.

Kentucky

On February 3, 2015, [HR 261](#) was introduced by a bi-partisan group of state legislators. The bill would establish the Kentucky Retirement Account Program, a state-sponsored retirement program for private sector workers. Employers with five or more employees would be required to participate, unless they receive a hardship exemption. Employers with fewer employees are allowed to participate on a voluntary basis.

The bill would create a governing board to design and implement the program, which would be established as an automatic enrollment payroll deduction Roth IRA program. The board would be required to implement the program within 24 months of enactment, unless insufficient funds are made available. The bill permits the board to seek an opinion as to the applicability and impact of ERISA.

On February 9, 2015, the bill was referred to the Agriculture and Small Business Committee, which held a hearing on the bill on February 25. No further action was taken on the bill prior to the end of the legislative session.

Louisiana

On March 10, 2014, [SB 283](#) was introduced into the 2014 regular legislative session by Senator [Troy E. Brown](#). The bill was referred to the Committee on Retirement, where it was considered on April 28, 2014. No further action has been taken.

The bill would establish the Louisiana Retirement Savings Plan, a state-sponsored retirement plan for private-sector workers who do not have access to a retirement plan through their employers. Churches and new businesses are permitted to participate on a voluntary basis.

The plan would be established as an automatic payroll-deduction IRA, though employees could opt out at any time. The plan provides for an automatic contribution rate of 3 percent of salary and permits employer contributions up to a maximum of \$5,000 per year per employee. Assets would be pooled and professionally managed. Benefits would be payable in the form of an annuity, and would become available at the earliest at age 69 and the latest at age 72. Neither the state nor employers are liable for investment performance.

Maine

On March 5, 2015, [LD 768](#) was introduced by Representative [Diane Russell](#). This bill is modeled after California's legislation and would create the Maine Secure Choice Retirement Savings Investment Board, which would administer the Maine Secure Choice Retirement Savings Program. The program would be a state-sponsored payroll-deduction IRA for workers who do not have access to a retirement plan through their employers. Employers with five or more employees are required to participate.

Employees could select their contribution rate into the accounts, though a three percent of salary contribution would be set for those who do not select their own rate. Employees could opt-out at any time.

Assets would be pooled and professionally managed, and a minimum rate of return would be guaranteed through private insurance. Neither the state nor employers would be subject to any liability for fund performance. The program would only be established if the Board finds that it will be self-sustaining, qualifies for favorable federal tax treatment, and is not subject to ERISA.

On March 9, 2015, the bill was referred to the Committee on Labor, Commerce, Research and Economic Development, where it was voted “ought not to pass” on April 14, 2015.

LD 1473 was introduced by Representative Diane Russell on April 30, 2013. It is also modeled after California’s SB 1234 and was not voted out of the House Appropriations and Financial Affairs Committee on January 23, 2014. No further action has been taken.

Maryland

On May 10, 2016, Governor Lawrence Hogan signed into law [HB 1378](#), a law establishing the Maryland Small Business Retirement Savings Program and Trust. HB 1378 was introduced by [Delegate William Frick](#), and its counterpart SB 1007 was introduced by [Senator Douglas J. J. Peters](#). The new law’s effective date is July 1, 2016.

As signed into law, HB 1378 establishes a retirement savings program for employees working for companies who do not offer another qualified retirement program. The law creates an 11 member Board (with a four-year term) and gives it the authority to design the new retirement program.

The Board is required to establish a process for automatically enrolling employees, establishing default contribution amounts and investment options, a process for employees to opt-out of the program and to opt back in, a process to select approved vendors and to operate the program so that administrative expenses are minimized. Expenses are capped at 0.5 percent of funds under management. The Board is authorized to borrow money to establish the program until such time as it generates enough fees to be self-sustaining. The Board is also tasked with establishing a process by which employees of non-participating employers may participate in the Program if their employer does not offer another retirement option.

The Board is directed to select a broad range of investment options and vendors, and may include an option that provides lifetime income.

Massachusetts

In March 2012, Massachusetts [enacted](#) HR 3754, an Act Providing Retirement Options for Nonprofit Organizations. The [new law](#) allows the State Treasurer to sponsor a retirement savings plan for workers at small non-profit organizations in the Commonwealth. Participation by the organizations is voluntary. The retirement plan would be a tax-qualified defined contribution arrangement with various investment options available to employees. Contributions could be made by workers, their employers, or both.

Features of the plan currently include an automatic six percent payroll deduction with an option for the employer to opt for a four percent initial automatic contribution with an escalation of up

to 10 percent. Hardship withdrawals will be allowed but specific guidelines for the withdrawals are not yet finalized. A “not-for-profit defined contribution committee” of five members would be established to assist the State Treasurer in developing policy and providing technical advice for the plan. The plan would be marketed particularly to nonprofits with 20 or fewer employees.

The plan will fall under the jurisdiction of ERISA. In June, 2014, the IRS ruled favorably on the proposal and is in the process of reviewing the group trust that the accounts will be pooled with for investment efficiencies. The Massachusetts Treasurer’s Office will formally roll out the plan once the IRS work is completed.

Also, on January 20, 2015, [H. 939](#) was introduced by Representative [Angelo Scaccia](#) and referred to the Joint Committee on Financial Services. A joint hearing on H. 939 and H. 924 was held on November 23, 2015.

The bill would establish the Massachusetts Secure Choice Savings Program and is modeled after the Illinois retirement legislation. H. 939 would establish a payroll-deduction IRA for workers whose employers do not offer any other retirement savings vehicle in the workplace. The bill requires all businesses in existence at least two years with 25 or more employees to automatically enroll their employees in the Security Choice Savings Program, unless they offer another retirement option to their workers.

Employees can determine a contribution level and select among a small number of investment options. A default contribution level of three percent of salary is offered to those who do not select one on their own, as is a default life-cycle investment fund for those who do not choose one from the options offered. Assets are pooled into a single fund and managed by the Massachusetts Treasurer and a qualified board, providing participants the benefit of low fees and competitive investment performance. Employees can choose to opt out of the program at any time.

The law is to be implemented within 24 months unless enough funds are not made available for the project. The Board must also find that the program is self-sustaining, that it is eligible for favorable federal tax treatment, and that it is not subject to ERISA.

In addition, on January 20, 2015, [H. 924](#) was introduced by Representative [James J. O’Day](#) and referred to the Joint Committee on Financial Services. No further action has been taken on the bill.

H. 924 would establish a Secure Choice Retirement Savings Board to administer two retirement savings trust funds known collectively as the Secure Choice Retirement Savings Trusts. The first of these trusts, named the Secure Choice Multiple-Employer Retirement Trust (MERP), is a profit-sharing defined contribution plan offering individual accounts. The second trust, the Secure Choice Individual Retirement Account Trust (IRAP), would accept individual contributions through payroll deduction and direct payment into IRAs. Assets would be pooled and professionally managed and neither the state nor the employer would be responsible for any liabilities. The Board and Plan administrator shall act as fiduciaries under ERISA for the MERP plan. Employers shall not be considered fiduciaries.

Participation by employers with 10 or more employees is mandatory unless they offer their employees another retirement savings plan. Self-employed individuals and employers with fewer than 10 employees may participate on a voluntary basis. Unless otherwise specified by the employer or directed by the employee, a default contribution of three percent of the employee's annual salary shall be made to the plan. The board may adjust this default contribution from two to five percent and may vary that amount according to the length of time the employee has contributed to the program.

Benefits to participants in the MERP shall be paid in the form of lifetime annuities. Employees who participate in both the MERP and IRAP have the option of rolling over all or part of their IRAP into their MERP before it is converted into a lifetime annuity. Participants in the MERP have the option of taking up to \$20,000 (as long as it is no more than 50 percent of their account balance) in the form of a lump sum.

Minnesota

On February 27, 2014, [HF 2419](#) was introduced by Rep. [Patti Fritz](#) and others, and was referred to the Government Operations Committee. Over the following month, the bill was considered by the Commerce and Consumer Protection Finance and Policy Committee, State Government Finance and Veterans Affairs, and the Ways and Means Committee. The bill was subsequently incorporated into [HF 2536](#), the Women's Economic Security Act, which was considered and reported out of the House on May 7, 2014, and the Senate on May 9, 2014. The bill was [signed into law](#) by the Governor on May 11, 2014.

As enacted, the bill required the Commissioner of Management and Budget of the state to provide a report to the legislature by January 15, 2015, evaluating the potential for a state-administered retirement savings plan for workers who do not have access to a retirement plan through their employer. The potential state-administered plan would have to provide for individuals to make contributions to their own accounts which would be pooled and invested by the State Board of Investment. The state would have no liability for investment earnings and losses. The plan should be designed so employers would be discouraged from dropping existing retirement plan options. /p>

The report was required to include a number of items, including estimates of the numbers of Minnesota workers who could be served by the plan, the participation rate that would make the plan self-sustaining, the effect of federal tax laws and ERISA, and the potential use and availability of investment strategies and insurance against loss to limit or eliminate potential state liability and manage risk to the principal. Funds were appropriated to cover the cost of producing the report, and, in December 2014, the Minnesota Management and Budget Commissioner issued a Request for Proposals (RFP) to conduct the report. Under the terms of the RFP, the report is to identify at least one option for a state administered retirement savings plan for private sector employees, though it may include other options. Each option is to be fully explained, and include an implementation plan with start-up costs, and outline the pros and cons of each option. A final report has not yet been released.

Nebraska

On December 10, 2013, the Retirement Systems Committee of the Nebraska Legislature held a hearing to discuss [LR 344](#), a resolution calling for an interim study to examine the availability and adequacy of retirement savings for Nebraska's private-sector workers. The hearing was hosted by Committee Chair Senator [Jeremy Nordquist](#). No further legislative action has been scheduled.

New Hampshire

On January 8, 2015, [HB 239](#) was introduced by Representative [David Danielson](#). The bill would establish the Statutory Commission on Retirement Security to study the creation of a state-sponsored program for workers without access to a retirement plan through their employers. The commission would study a program that would provide for automatic enrollment into a payroll-deduction account, with an option for employees to opt out of the program. No employer contributions would be required. The accounts would be portable, and self-sustaining, and the assets would be pooled and professionally managed. The commission would be required to submit its report by November 1, 2015, and an appropriation of \$100,000 would be authorized to support the commission.

HB 239 was voted on in the House on February 11, 2015, and the bill failed to advance.

New Jersey

On March 2, 2015, [A 4275](#) was introduced by Assemblymen [Vincent Prieto](#) and others, and was referred to the Assembly Labor Committee on March 9, 2015. On June 18, 2015, the bill was reported out of the Labor Committee with amendments, and was referred to the Assembly Appropriations Committee. The bill was reported out of the Assembly Committee with amendments after a second reading on November 9, 2015 and was passed by the Assembly on December 3, 2015. On December 7, 2015, the bill was referred to the Senate Budget and Appropriations Committee.

A companion bill, [S 2831](#), was introduced by Senator [Stephen M. Sweeney](#) on March 16, 2015, and referred to the Senate Labor Committee. On October 19, 2015, S 2831 was reported from the Senate Committee with amendments after a second reading and was referred to the Senate Budget and Appropriations Committee where it was reported out on December 21, 2015. On January 7, 2016 the Senate substituted House bill A 4275 for the text of S 2831 and passed the bill. The bill next goes to the Governor for consideration.

The bills would create the New Jersey Secure Choice Savings Program and a Secure Choice Savings Board and are modeled after the Illinois Secure Choice Retirement Savings Program. They would establish a payroll-deduction IRA for workers whose employers do not offer any other retirement savings vehicle in the workplace. The bills require all businesses in existence at least two years with 25 or more employees to automatically enroll their employees in the Secure Choice Savings Program unless they offer another retirement option to their workers. Small employers, who have fewer than 25 employees or have been in business less than two years, or both, may voluntarily participate in the program.

Employees are automatically enrolled into the program once they have been employed for three months, can determine a contribution level, select among a small number of investment options and may opt out at any time. A default contribution level of three percent of salary is offered to those who do not select one on their own, as is a default life-cycle investment fund for those who do not choose one from the options offered. Employees may only change their contribution levels or investment options once every calendar quarter. Assets are pooled into a single fund and managed by the New Jersey Treasurer and the Board, providing participants the benefit of low fees and competitive investment performance. No more than five different investment options may be offered in any year, and annual administrative fees are limited to 0.75 percent of the fund's total balance.

Employers who do not enroll eligible employees are subject to penalties unless they can show reasonable cause for the failure. They are also subject to penalties if they fail to timely deposit employee's contributions. After the Board opens the program for enrollment, employers have nine months to establish plans for their employees. They may establish open enrollment periods during which their employees are permitted to enroll in the program if they have opted out previously. Board members and trustees are required to discharge their duties solely in the interest of participants and beneficiaries. Investment returns are not guaranteed by the State, and employers are not fiduciaries over the program, bear no responsibility for administration, investment or investment performance of the program, and shall not be liable with respect to investment returns, program design or benefits paid to program participants.

The law is to be implemented within 24 months unless enough funds are not made available for the project. The board must also find that the program is self-sustaining, that it is eligible for favorable federal tax treatment, and that it is not subject to ERISA.

New York

On February 26, 2015, [Int 0692-2015](#) was introduced by Public Advocate [Letitia James](#) in the New York City Council. The bill would create a private pension advisory board to study the feasibility of establishing a pension fund for private sector workers in New York City. The board would consist of 11 members who have expertise in pension funds and finance. The bill does not set a deadline for the board to issue its report, but provides for the board's dissolution upon issuance of the report. On June 23, 2015 a meeting on the bill was held in the Committee on Civil Service and Labor. No further action has been taken on the bill.

On February 27, 2015, New York City Comptroller Scott Stringer [announced](#) the creation of a Retirement Security Study Group. The study group is tasked with designing up to three retirement savings options by the fall of 2015 for consideration by a retirement task force. The study group is fully funded through existing resources within the Comptroller's office.

North Carolina

On April 2, 2015, HB 515 was introduced by Representatives Schaffer, Ross, Glazier and Pierce. The bill was referred to the House Committee on Rules where no further action was taken before the conclusion of the legislative session.

HB 515, the Work and Save Plan Study directs the State Treasurer to study the establishment of a voluntary “Work and Save Plan Study” retirement program aimed at increasing the retirement savings options for private sector workers whose employers do not provide retirement savings plans. Participation in this program would be entirely voluntary and benefits would be portable between employers. In conducting the study, the bill directs the Department to consider the recommendations for such a program that were made by AARP. The State Treasurer is directed to report its findings and recommendations to the 2015 General Assembly when it reconvenes in 2016.

North Dakota

On January 12, 2015, [HB 1200](#) was introduced by Representative [George Keiser](#). The bill was defeated in the House on February 10, 2015.

HR 1200 would have established the Save Toward a Retirement Today retirement savings program administered by the State Treasurer. Employers with no more than 100 workers who do not offer retirement plans to their employees would have been eligible to participate on a voluntary basis. Employees of qualifying employers who opt not to participate could have enrolled on an individual basis.

Contributions by employers were not required, and workers could select their own contribution amounts. Contributions would be tax deferred at both the state and federal levels. The state would not be held liable for investment performance. An appropriation of \$100,000 would have been authorized to design and implement the program.

Ohio

On October 2, 2013, [SB 199](#) was introduced by Senator [Eric Kearney](#). The bill was modeled after the California legislation and would establish the Ohio Secure Choice Retirement Savings Board, which would design and administer the Ohio Secure Choice Retirement Savings Program.

The program would be a state-sponsored payroll-deduction IRA for workers who do not have access to a retirement plan through their employers. Employers with five or more employees would be required to participate. Employees could select their contribution rate into the accounts, though a three percent of salary contribution would be set for those who do not select their own rate. Employees could opt-out at any time.

Assets would be pooled and professionally managed, and a minimum rate of return would be guaranteed through private insurance. Neither the state nor employers would be subject to any liability for fund performance. The program would be established only if the board finds that it will be self-sustaining, qualifies for favorable federal tax treatment, and is not subject to ERISA.

SB 199 was assigned to the Senate Finance Committee but did not advance during the 2013-2014 legislative session.

Oregon

On July 7, 2013, Oregon's state legislature [passed](#) HB 3436, which creates a task force to explore options for helping private-sector workers who lack access to a workplace retirement plan save for retirement. [The bill](#) was signed into law by Governor John Kitzhaber on August 1, 2013.

The task force issued its report on September 12, 2014. The report found that retirement security in the state had deteriorated since a similar report was issued in 1997. The task force [recommended](#) developing and making available a retirement savings plan to all Oregonians who do not have access to a plan through their employer.

The recommendations envision a plan with a minimum employer role, automatic enrollment for the employee (with the ability to opt out), payroll deduction, and automatic annual escalation of contributions (with opt-out). The plan would be part of an overall retirement security program directed by a state board aimed at increasing enrollment in retirement security accounts. The program should include market research, small-business outreach, research into incentives, seeking legal guidance, and efforts to increase financial literacy.

On February 10, 2015, [HB 2960](#) and its counterpart [SB 615](#) were introduced by Senators Beyer, Riley, Roblan, and Rosenbaum and Representatives Williamson and Read and others. Both bills were referred to Committees of jurisdiction in their respective houses, where hearings were held and the bills were amended. HB 2960 passed the Oregon House by a vote of 32-26 on June 10, 2015, and passed the state Senate on June 16, 2015, by a vote of 17-13. The legislation was [signed into law](#) by Governor Kate Brown on June 25. The Governor named an Executive Director of the Oregon Retirement Savings Program and the Oregon Retirement Savings Board began holding monthly meetings in November, 2015.

The Savings Board has continued monthly meetings in 2016 and has issued an RFP for Market Analysis, Program Design and Financial Feasibility Services with a due date of January 19, 2016. The Board has also developed a detailed implementation timeline for action through 2017 and has created a working group on plan design which meets regularly.

HB 2960/SB 615 would establish a seven-member Oregon Retirement Savings Board in the office of the State Treasurer to administer the Oregon Retirement Savings Plan. The board would develop a defined contribution retirement plan for Oregon workers that would be pooled and professionally managed. Employers who do not provide a retirement savings plan would be required to offer their employees the opportunity to contribute to the Oregon Retirement Savings Plan through payroll deduction. The plan must provide for automatic enrollment with a default contribution level, though workers must be given the option of opting-out of the plan. Account owners would have the ability to maintain the accounts regardless of their place of employment and could roll over funds to other retirement accounts.

Before the plan can be established, the board must conduct a legal and market analysis to assess the feasibility of the plan and the applicability of ERISA. The plan cannot be created if the Board determines it would be subject to ERISA. Otherwise, the bill requires contributions to begin no later than June 16, 2017.

Finally, the Board is required to report to the Legislative Assembly with the results of the market and legal analysis, potential cost to employers, timeline for implementation and other issues, including recommendations regarding ways to increase financial literacy, by December 31, 2016.

Rhode Island

House Bill 6080 was introduced by Representatives Edwards, Blazejewski and others on April 15, 2015. The bill was referred to the House Committee on Labor and a hearing took place on April 30, 2015. The Committee recommended the bill be held for further study and no additional action has been taken.

House Bill 6080 would create an automatic enrollment payroll deduction IRA program for private sector workers that would be administered by the Department of Labor and Training (DLT). Employers who have been in business at least two years and have five or more employees would be required to participate in the program unless they receive a hardship waiver. Smaller employers may participate on a voluntary basis. The Department would be responsible for designing a program that would allow employees to opt out, select a contribution level and investment option, and terminate participation, and would facilitate education and outreach to employers and employees. The default contribution option would be set at three percent, unless the employee chooses a higher rate. Investment options would include a life-cycle fund or target date fund as the default options. Employers would not have fiduciary obligations related to this program, and neither employers nor the state are liable for any investment losses resulting from participation in the program.

Implementation would begin 24 months after enactment and employers would establish a payroll deposit retirement savings option within six months after implementation.

Utah

On January 30, 2015, joint resolution [SJR 9](#) was introduced by Senator [Todd Weiler](#) and House Sponsor [Jon Cox](#). The resolution passed the House on March 4, 2015 and was signed by the Senate President on March 9, 2015. It was sent to the office of the Lieutenant Governor for filing on March 18, 2015.

SJR 9 urges Utah's small business workers and small business community to work with the state's Legislature and its Treasurer to study and develop a model for saving for retirement through the workplace that is accessible to Utah's workers. The community is further urged to consider legislation, if necessary, to put the plan into action.

Vermont

On January 7, 2014, Senator [Anthony Pollina](#) introduced [S 193](#), a bill creating an interim Public Retirement Plan Study Committee to evaluate the feasibility of establishing a public retirement plan. The Committee would also study whether private-sector employers of a certain size who do not offer an alternative retirement plan should be required to offer the public retirement plan through a voluntary payroll deduction that would be available to private-sector employees who are not covered by an alternative retirement plan. The findings and recommendations of the

Committee were due on January 15, 2015, at which point the authority of the Committee would sunset.

The bill was referred to the [Committee on Economic Development, Housing and General Affairs](#) on January 7, 2014, and was favorably reported to the [Committee on Appropriations](#) on March 3, 2014. Key provisions of S 193 were enacted as part of the FY 2015 budget bill on May 10, 2015.

On June 9, 2014, the Governor signed into law [H 885 \(Act 0179\)](#), legislation providing appropriations for Vermont agencies. Included in the bill was an appropriation of \$5,000 to conduct an interim study on the feasibility of establishing a public retirement plan.

The [Public Retirement Plan Study Committee](#) conducted two meetings between November 26, 2014 and January 14, 2015, and subsequently issued an [interim report](#). Due to the limited timeframe provided to the committee, the report was only able to identify a list of guiding principles that the committee should use to provide a framework for its analysis and to recommend to the General Assembly that the mandate of the committee be extended for a year (to January 16, 2016) to allow it to complete a more comprehensive report. No further action has been taken.

Virginia

On January 14, 2015, [HB 1998](#) was introduced by Delegate [Luke Torian](#). The bill passed the House unanimously on February 10, 2015 and passed the Senate unanimously on February 24, 2015. It was signed by the Governor on March 27, and will go into effect on July 1, 2015.

HB 1998 establishes a Virginia Retirement System working group directed to develop recommendations to encourage and facilitate savings for retirement. The working group will review current state and federal programs that encourage Virginia's citizens to save for retirement by participating in retirement savings plans. The review will include an examination of retirement savings options for self-employed individuals, part-time workers, full-time workers whose employers do not offer a retirement savings plan, and groups with low rates of savings.

The working group will include representatives of the Virginia Department of Taxation, small business, the self-employed, the Virginia College Savings Plan, and other stakeholders. The working group is directed to report its findings to the Governor and the General Assembly by January 1, 2017. The findings may include recommendations for changes in legislation to achieve its goal of increasing retirement savings.

Washington

On February 4, 2015, [SB 5826](#), the Washington State Small Business Marketplace Retirement Savings Bill, was introduced by Senators [Mark Mullet](#) and [Don Benton](#) and was assigned to the Senate Committee on Financial Institutions and Insurance. After public hearings and consideration in a number of Senate committees, an amended version of the bill passed the Senate on April 10, 2015. HB 2109, the House companion bill, was introduced on February 12, 2015, and was referred to the House Committee on Appropriations. The committee passed the bill and referred it to the Rules Committee, and it ultimately passed the House, as amended by

the Senate, on April 22, 2015. The Governor signed the bill into law on May 18, 2015. The Department of Commerce in Washington issued a request for proposals in November, 2015 and established a Small Business Marketplace information page on the Department's website. A draft rule governing the establishment of the Washington State Small Business Marketplace was published for public review and comment in December, 2015. A hearing on the draft rule has been scheduled for March 16, 2016 and the rule's intended date of adoption is March 25, 2016.

The bill establishes a small-business retirement plan marketplace in the state Department of Commerce. The marketplace would promote participation in low-cost, low-burden retirement savings plans and educate small employers on plan availability. The director of the marketplace would work with the private sector to establish a program that connects eligible employers with qualifying plans. Participation in the marketplace is completely voluntary for both employers and employees, but only those who are self-employed, sole proprietors or employers with fewer than one hundred employees are eligible to participate.

The marketplace director must approve a diverse array of private retirement plan options, including life insurance plans that are designed for retirement purpose, and at least three types of plans: a SIMPLE IRA that allows for employer contributions into participating worker's accounts, a payroll-deduction IRA that does not allow employer contributions, and the myRA, the retirement savings vehicle proposed by the Obama administration that is backed by Treasury bonds.

The financial services companies approved to participate in the marketplace must offer a minimum of two product options: a target-date or other similar fund which provides asset allocations and maturities designed to coincide with the expected date of retirement of the participant, and a balanced fund.

Plans offered through the marketplace must include the option to roll over contributions to different retirement accounts. Although these plans are subject to ERISA, Washington State is not exposed to ERISA liability.

The program designed by the director must:

- Establish a protocol for reviewing and approving the qualifications of private sector financial firms seeking to participate in the marketplace
- Design and operate an internet website that includes information describing how eligible employers can participate in the marketplace
- Develop marketing materials about the marketplace that can be distributed electronically, posted on various agency websites, and inserted in agency mailers
- Identify and promote existing federal and state tax credits and benefits for employers and employees that are related to encouraging retirement savings or participating in retirement plans, and
- Promote the benefits of retirement savings and financial literacy.

Finally, the bill authorizes the appropriation of \$100,000 in 2015 and \$50,000 in 2016-2018 for implementation of the legislation.

West Virginia

On March 6, 2015, [SCR 58](#) was introduced by Senator [Tom Takubo](#) and referred to the Rules Committee. No further action was taken on the bill before the legislative session ended.

The Senate Concurrent Resolution would direct the Joint Committee on Government and Finance to study the need and feasibility of the state creating a cost-effective and portable group retirement savings program for small businesses and their workers. The study would include a comparison of the costs of establishing the program with currently available private sector financial and retirement security opportunities for small business (defined as businesses with 50 or fewer employees).

SCR 58 directed that the report be submitted to the regular session of the legislature in 2016 and include drafts of any legislation that would be needed to implement its recommendations. The funds to conduct the study would be taken from the Joint Committee's normal appropriations.

Wisconsin

On February 24, 2015, [SB 45](#) was introduced by Senator [Dave Hansen](#) and others and was referred to the Committee on Labor and Government Reform. The Assembly companion bill, [AB 70](#), was introduced on March 5, 2015 and was referred to the Committee on Financial Institutions. No further action has been taken on either bill.

The bills would establish the Wisconsin Private Retirement Security Board and require the board to design a Wisconsin private retirement security plan. The board is required to study the financial feasibility of such a plan and recommend a design structure that is most reasonable in light of the potential participant population and cost of the plan. The board is also required to hold a minimum of five public hearings within three months on the plan, at least one of which will be held in each of the geographic areas of the State. The board must design the plan so that it mirrors, to the extent possible, the Wisconsin Retirement System.

The board is required to submit its report 18 months after enactment of the legislation. The report is required to include an estimate of the cost of initial establishment and administration of the plan, an estimate of the amount of time necessary to make the plan viable, and a recommendation for any legislation that is necessary to implement the plan. The bill directs the Department of Employee Trust Funds to provide staff and other resources to assist the Board in performing its duties and submit an estimate for the supplemental funds that may be necessary to implement the plan.

Finally, the bill allows the board to charge participants reasonable fees to cover the costs of implementing and administering the plan.

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