

B-Engrossed
House Bill 3436

Ordered by the House June 20
Including House Amendments dated April 24 and June 20

Sponsored by Representative BAILEY, Senator BEYER; Representatives BARTON, CLEM, DOHERTY, GARRETT, READ, REARDON, VEGA PEDERSON, WILLIAMSON

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

[Creates Oregon Retirement Savings Investment Board. Directs board to develop recommendations for establishing Oregon Secure Retirement Plan for individuals and employees in private sector and report to interim committee of Legislative Assembly on recommendations.]

Creates Oregon Retirement Savings Investment Task Force. Directs task force to develop recommendations relating to retirement savings and for establishing Oregon Secure Retirement Plan. Directs task force to report to interim committee of Legislative Assembly on recommendations.

Sunsets task force on March 31, 2016.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to retirement investments; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1) The Oregon Retirement Savings Investment Task Force is established.**

5 **The task force consists of nine members as follows:**

6 (a) **The State Treasurer or the designee of the State Treasurer, who shall serve as**
7 **chairperson of the task force.**

8 (b) **One member of the Senate, appointed by the President of the Senate.**

9 (c) **One member of the House of Representatives, appointed by the Speaker of the House**
10 **of Representatives.**

11 (d) **The following members appointed by the Governor:**

12 (A) **Two representatives of employers.**

13 (B) **Two members who have experience in the financial services industry or in pension**
14 **plans.**

15 (C) **Two public members.**

16 (2) **If there is a vacancy for any cause, the appointing authority shall make an appoint-**
17 **ment to become immediately effective.**

18 (3) **A majority of the members of the task force constitutes a quorum for the transaction**
19 **of business.**

20 (4) **Notwithstanding ORS 171.072, members of the task force who are members of the**
21 **Legislative Assembly are not entitled to mileage expenses or a per diem and serve as volun-**
22 **teers on the task force. Other members of the task force are not entitled to compensation**
23 **or reimbursement for expenses and serve as volunteers on the task force.**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (5) The Legislative Administration Committee shall provide staff support to the task
2 force.

3 (6) All agencies, departments and officers of this state are directed to assist the task
4 force in the performance of its functions and to furnish such information and advice as the
5 members of the task force consider necessary to perform their functions.

6 **SECTION 2.** (1) For purposes of the reports required by section 3 of this 2013 Act, the
7 Oregon Retirement Savings Investment Task Force shall:

8 (a) Develop recommendations for increasing the percentage of Oregonians saving for re-
9 tirement or enrolled in a retirement plan and for increasing the amount of those individual
10 savings. In developing its recommendations, the task force shall consider the following fac-
11 tors and any other factors the task force finds relevant:

12 (A) The barriers to retirement that individuals face, including but not limited to lack of
13 education, lack of financial advice, lack of financial planning, issues related to gender and
14 the complexity of retirement planning choices.

15 (B) Possible approaches to alleviating the barriers to retirement that individuals face.

16 (C) Possible approaches to encouraging individuals to save for retirement, including:

17 (i) Specific educational and marketing strategies that the State of Oregon and private
18 entities can pursue to encourage businesses and residents of this state to increase awareness
19 of and participation in retirement savings plans; and

20 (ii) Adoption and expansion of successful approaches used to increase participation in
21 both employer-sponsored retirement plans and individual retirement products.

22 (D) The access residents of this state have to employer-sponsored retirement plans and
23 individual retirement products.

24 (E) The types of employer-sponsored retirement plans and individual retirement products
25 offered in this state.

26 (F) Estimates of the average amount of savings and other financial resources residents
27 of this state have upon retirement.

28 (G) Estimates of the average amount of savings and other financial resources that are
29 recommended for a financially secure retirement in this state.

30 (b) Develop recommendations for establishing an Oregon Secure Retirement Plan to offer
31 retirement investment plans to individuals. In developing the plan, the task force shall con-
32 sider including the following features:

33 (A) Pooling individual retirement accounts.

34 (B) Using best business practices to expand participation in retirement savings and to
35 build enrollment to a level at which market efficiencies can lower costs to participants.

36 (C) Enabling individuals to contribute to individual retirement accounts through payroll
37 deductions.

38 (D) Making the plan's individual retirement accounts accessible on a voluntary basis to
39 all individuals.

40 (E) Providing for a plan that may contract for administration or investment management
41 services with one or more appropriate providers, including but not limited to the Oregon
42 Investment Council.

43 (F) Providing options for individual retirement accounts or individual retirement annui-
44 ties.

45 (G) Providing for the plan to accept rollover contributions from a participant in the plan

1 or from an eligible retirement plan from which the participant is entitled to an eligible
2 rollover contribution.

3 (2) The task force may not:

4 (a) Include in the plan any guarantee by the State of Oregon or cause the State of Oregon
5 to incur any liability or obligation for payment of savings or benefits earned by plan partic-
6 ipants.

7 (b) Include in the plan any financial obligation or liability on private sector employers
8 whose employees participate in the plan with regard to investment or investment perform-
9 ance of the plan.

10 (c) Implement a plan without further consent of the Legislative Assembly.

11 **SECTION 3.** (1) On or before December 1, 2013, the Oregon Retirement Savings Invest-
12 ment Task Force shall report to an appropriate interim committee of the Legislative As-
13 sembly on the recommendations developed under section 2 of this 2013 Act. The report must
14 include:

15 (a) A discussion of the barriers to retirement that individuals face, and possible ap-
16 proaches to alleviating those barriers and encouraging individuals to save for retirement.

17 (b) A description of the task force's progress in developing recommendations with regard
18 to the Oregon Secure Retirement Plan.

19 (c) An analysis, based on available legal advice, of how the plan will comply with federal
20 law, including the Employee Retirement Income Security Act of 1974, and how the plan would
21 be treated under existing state and federal tax law.

22 (d) An analysis of whether any adjustments are needed to the plan or to state or federal
23 law to facilitate compliance with the law.

24 (e) A review of similar plans in other states.

25 (f) A review of available information relating to retirement investment products and
26 services, including but not limited to retirement plans, retirement accounts and annuities.
27 The information must include all expenses paid directly or indirectly by retirement planning
28 product participants, including but not limited to penalties for early withdrawals, declining
29 or fixed withdrawal charges, surrender or deposit charges, management fees and annual fees.

30 (g) A discussion of the governance of the task force.

31 (h) A review of best industry practices and recommendations for representation of plan
32 participants in creating the plan.

33 (2) On or before September 1, 2014, the task force shall issue its final report to an ap-
34 propriate interim committee of the Legislative Assembly. The report must include recom-
35 mendations for encouraging individuals to plan for retirement and recommendations for
36 establishing the Oregon Secure Retirement Plan as described in section 2 of this 2013 Act,
37 including:

38 (a) Compliance and enforcement measures.

39 (b) Minimum or maximum investment levels.

40 (c) Enrollment procedures.

41 (d) Appropriate types of investment vehicles.

42 (e) Whether to insure or reinsure the invested funds against losses or poor returns.

43 (f) Procedures for account owners to withdraw funds from their accounts.

44 (g) Whether to contract with a private provider to assist with administration of the plan
45 or to provide investment management services.

1 **(h) Recommendations for legislation necessary to implement the plan.**

2 **(i) Any proposed rules the task force considers necessary for the administration of the**
3 **plan.**

4 **(3) The task force may work with, contract with and enter into agreements with private**
5 **sector entities to develop its recommendations under this section.**

6 **SECTION 4.** **Sections 1 to 3 of this 2013 Act are repealed on March 31, 2016.**

7 **SECTION 5.** **This 2013 Act being necessary for the immediate preservation of the public**
8 **peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect**
9 **on its passage.**

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