



**JULES BAILEY**  
**STATE REPRESENTATIVE**  
DISTRICT 42

**HOUSE OF REPRESENTATIVES**

2013 Session  
Joint Committee on  
Ways and Means  
General Government

Date: 5/21/13

Bill #: HB 3436

Pages: 3

Exhibit #: 3

How do we put retirement within reach for all working Oregonians?

**\*\*HB 3436 creates a board, which will study and create a plan to present to the Legislature.**

- It creates the Oregon Retirement Savings Investment Board, consisting of:
  - State Treasurer or designee
  - 2 members to represent employers, Governor appointed
  - 2 members with financial industry or pension plan experience, Governor appointed
  - 2 public members, Governor appointed

**\*\*HB 3436 ensures that all interested parties are represented on the board.**

- Actions by the Board:
  - Report on or before 12/1/2013 on: board's progress, analysis of whether the plan will comply with federal law and whether any adjustments are needed to state or federal law to facilitate compliance with the law, and a review of similar plans in other states.
  - Report on or before 9/1/2014 that proposes plan to the Legislature.

**\*\*HB 3436 ensures that the board develops a plan that complies with federal and state law, which will be presented for approval to the Legislature.**

- Guidance for the study includes a model plan that:
  - Give Oregonians without employer-sponsored plans access to a portable plan on a voluntary basis.
  - Employees of employers who do not offer a plan should have a voluntary payroll deduction available.
  - **Cannot** cause the state to incur any liability or obligation for payment of savings or benefits earned by plan participants.
  - **Cannot** impose any financial obligation or liability on private sector employers with regard to investment or investment performance of the plan.

If you have any questions, please contact my office at:  
(503) 986-1442 or [Rep.JulesBailey@state.or.us](mailto:Rep.JulesBailey@state.or.us)

HB 3436-A2  
(LC 3768)  
5/20/13 (DH/ps)

**PROPOSED AMENDMENTS TO  
A-ENGROSSED HOUSE BILL 3436**

1 On page 1 of the printed A-engrossed bill, delete lines 11 through 14 and  
2 insert:

3 “(2) Members of the board serve at the pleasure of the Governor. If there  
4 is a vacancy for any cause, the Governor shall appoint a person to fill the  
5 vacancy.”.

6 On page 3, delete lines 16 through 21 and insert:

7 **“SECTION 4. This 2013 Act is repealed on March 31, 2016.”.**

8 In line 22, delete “6” and insert “5”.

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STATE OF OREGON  
LEGISLATIVE COUNSEL COMMITTEE

March 6, 2013

Representative Jules Bailey  
900 Court Street NE H274  
Salem OR 97301

Re: House Bill 3436 and ERISA

Dear Representative Bailey:

You asked whether House Bill 3436 violates the Employee Retirement Income Security Act of 1974 (ERISA), the federal law that establishes minimum standards for pension plans offered to private sector employees. The answer is no.

House Bill 3436 creates the Oregon Retirement Savings Investment Board and directs the board to develop recommendations for establishing an Oregon Secure Retirement Plan for employees in the private sector. The board is directed to report to an interim committee of the Legislative Assembly on its recommendations. The bill does not provide for implementation of a retirement plan; a future Legislative Assembly would have to enact further legislation to establish the plan.

House Bill 3436 does not actually establish or implement a pension plan, so the bill could not be in conflict with ERISA. Furthermore, the board is directed to include in its report "[a]n analysis of whether the plan will comply with federal law and whether any adjustments are needed to state or federal law to facilitate compliance with the law." Thus, the board is explicitly directed to consider compliance with ERISA in formulating its recommendations.

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Very truly yours,

DEXTER A. JOHNSON  
Legislative Counsel

By  
Marisa N. James  
Deputy Legislative Counsel