

**REVENUE:** No revenue impact

**FISCAL:** Fiscal statement issued

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**Action:** Do Pass with Amendments to the B-Engrossed Measure. (Printed C-Engrossed)

**Vote:** 3 - 1 - 1

**Yeas:** Beyer, Burdick, Rosenbaum

**Nays:** Starr

**Exc.:** Ferrioli

**Prepared By:** Patrick Brennan, Administrator

**Meeting Dates:** 7/6

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**WHAT THE MEASURE DOES:** Establishes Oregon Retirement Savings Task Force, consisting of seven members, State Treasurer or designee and the following appointed by the Governor: two representatives of employers, two members with experience in financial services industry or in pension plans, and two public members. Directs Task Force to develop recommendations for increasing percentage of Oregonians saving for retirement or enrolled in retirement plan and for increasing amount of those individual savings. Specifies that for purpose of developing recommendations, Task Force shall consider: access Oregon residents have to employer-sponsored retirement plans and individual retirement products; types of employer-sponsored retirement plans and individual retirement products offered in Oregon; estimates of average amount of savings and other financial resources Oregonians have upon retirement; estimates of average amount of savings and other financial resources that are recommended for financially secure retirement in Oregon; and level of reliance retired Oregonians have on public assistance benefits as result of insufficient retirement savings. Specifies that Task Force may not recommend plans or products that would: subject state or private sector employers to responsibilities under the federal Employee Retirement Income Security Act of 1974; result in tax treatment that is less favorable than that provided under existing provisions of Internal Revenue Code; create any guarantee or cause state to incur any liability or obligation for payment of savings or benefits earned by plan participants; or create any financial obligation, liability or guarantee on part of private sector employers whose employees participate in plan, with regard to investment or investment performance of plan. Directs Task Force to report to interim committee on or before September 1, 2014. Directs Legislative Administration Committee to provide staff support for the Task Force. Sunsets January 2, 2017. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Provisions of amendment
- Presupposition of Task Force outcome

**EFFECT OF COMMITTEE AMENDMENT:** Reduces number of Task Force members from nine to seven. Revises duties of Task Force. Revises issues on which Task Force may not make recommendations. Reduces number of required reports to Legislative Assembly to one, due September 1, 2014. Extends sunset date to January 2, 2017.

**BACKGROUND:** California enacted legislation in 2012 (Senate Bill 1234) establishing a retirement savings program for private employees who do not participate in an employer-sponsored retirement savings plan. The legislation calls for a market analysis to determine factors regarding how the plan would be implemented. Once operational, administrative costs will be paid from investment earnings and are capped at one percent of total fund assets. Pooled contributions and professional management are expected to reduce the investing errors that individual savers are subject to make, thus increasing the returns beyond what an individual saver would experience. Eleven other states have considered similar legislation in recent years to provide place to invest without the considerable expense and market risks to which individual savers are exposed.

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*This summary has not been adopted or officially endorsed by action of the committee.*