

**A-Engrossed**  
**House Bill 3436**

Ordered by the House April 24  
Including House Amendments dated April 24

Sponsored by Representative BAILEY, Senator BEYER; Representatives BARTON, CLEM, READ, VEGA  
PEDERSON

**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.

Declares emergency, effective on passage.

**A BILL FOR AN ACT**

Relating to retirement investments; and declaring an emergency.

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

**SECTION 1. (1) The Oregon Retirement Savings Investment Board is established. The board consists of seven members as follows:**

**(a) The State Treasurer or the designee of the State Treasurer.**

**(b) The following members appointed by the Governor:**

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

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

**(C) Two public members.**

**(2) The term of office of a member of the board is three years, but a member serves at the pleasure of the Governor. A member is eligible for reappointment. If there is a vacancy for any cause, the Governor shall make an appointment to become immediately effective for the unexpired term.**

**(3) The Governor shall select one of the members of the board as chairperson.**

**(4) A majority of the members of the board constitutes a quorum for the transaction of business.**

**(5) Members of the board are entitled to compensation and expenses as provided in ORS 292.495.**

**(6) The board may accept gifts, grants or contributions from any source for the purposes of carrying out the duties of the board.**

**(7) The Legislative Administration Committee shall provide staff support to the board.**

**(8) All agencies, departments and officers of this state are directed to assist the board in the performance of its functions and to furnish such information and advice as the members of the board consider necessary to perform their functions.**

**SECTION 2. (1) For purposes of the reports required by section 3 of this 2013 Act, the**

**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 Oregon Retirement Savings Investment Board shall develop recommendations for establish-  
2 ing an Oregon Secure Retirement Plan to offer retirement investment plans to employees in  
3 the private sector who have no retirement option through an employer. In developing the  
4 plan, the board shall consider including the following features:

5 (a) Pooled individual retirement accounts.

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

8 (c) Enabling employees to contribute to individual retirement accounts through payroll  
9 deduction.

10 (d) Making the plan's individual retirement accounts accessible on a voluntary basis to  
11 all private sector employees and individuals.

12 (e) Providing for the plan to be administered by the Oregon Retirement Savings Invest-  
13 ment Board, which may contract with one or more appropriate third party contractors, in-  
14 cluding but not limited to the Oregon Investment Council, for administration or investment  
15 management services.

16 (f) Providing options for individual retirement accounts or individual retirement annui-  
17 ties under section 408(a) or 408(b) of the Internal Revenue Code.

18 (g) Providing for the plan to accept rollover contributions from a participant in the plan  
19 or from an eligible retirement plan from which the participant is entitled to an eligible  
20 rollover contribution.

21 (2) The plan may not:

22 (a) Include any guarantee by the State of Oregon or cause the State of Oregon to incur  
23 any liability or obligation for payment of savings or benefits earned by plan participants.

24 (b) Impose any financial obligation or liability on private sector employers whose em-  
25 ployees participate in the plan with regard to investment or investment performance of the  
26 plan.

27 **SECTION 3.** (1) On or before December 1, 2013, the Oregon Retirement Savings Invest-  
28 ment Board shall report to an appropriate interim committee of the Legislative Assembly.  
29 The report must include:

30 (a) A description of the board's progress in developing recommendations with regard to  
31 the Oregon Secure Retirement Plan.

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

35 (c) An analysis of whether any adjustments are needed to the plan or to state or federal  
36 law to facilitate compliance with the law.

37 (d) A review of similar plans in other states.

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

43 (f) A discussion of the governance of the board.

44 (g) A review of best industry practices and recommendations for representation of plan  
45 participants on the board.

1       **(2) On or before September 1, 2014, the board shall report to an appropriate interim**  
2 **committee of the Legislative Assembly. The report must include recommendations for es-**  
3 **tablishing the Oregon Secure Retirement Plan as described in section 2 of this 2013 Act, in-**  
4 **cluding:**

5       **(a) Compliance and enforcement measures.**

6       **(b) Minimum or maximum investment levels.**

7       **(c) Enrollment procedures.**

8       **(d) Appropriate types of investment vehicles.**

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

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

11       **(g) Whether to contract with a private provider to assist with administration of the plan.**

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

13       **(i) Any proposed rules the board considers necessary for the administration of the plan.**

14       **(3) The board may work with, contract with and enter into agreements with private**  
15 **sector entities to develop its recommendations under this section.**

16       **SECTION 4. Notwithstanding the term of office specified by section 1 of this 2013 Act,**  
17 **of the members first appointed to the Oregon Retirement Savings Investment Board:**

18       **(1) Two shall serve for a term ending January 1, 2014.**

19       **(2) Two shall serve for a term ending January 1, 2015.**

20       **(3) Three shall serve for a term ending January 1, 2016.**

21       **SECTION 5. Sections 3 and 4 of this 2013 Act are repealed on January 2, 2017.**

22       **SECTION 6. This 2013 Act being necessary for the immediate preservation of the public**  
23 **peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect**  
24 **on its passage.**

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