

HOUSE AMENDMENTS TO A-ENGROSSED HOUSE BILL 3436

By JOINT COMMITTEE ON WAYS AND MEANS

June 20

1 On page 1 of the printed A-engrossed bill, delete lines 4 through 26 and delete pages 2 and 3
2 and insert:

3 **“SECTION 1. (1) The Oregon Retirement Savings Investment Task Force is established.**
4 **The task force consists of nine members as follows:**

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

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

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

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

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

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

14 **“(C) Two public members.**

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

17 **“(3) A majority of the members of the task force constitutes a quorum for the trans-**
18 **action of business.**

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

23 **“(5) The Legislative Administration Committee shall provide staff support to the task**
24 **force.**

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

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

30 **“(a) Develop recommendations for increasing the percentage of Oregonians saving for**
31 **retirement or enrolled in a retirement plan and for increasing the amount of those individual**
32 **savings. In developing its recommendations, the task force shall consider the following fac-**
33 **tors and any other factors the task force finds relevant:**

34 **“(A) The barriers to retirement that individuals face, including but not limited to lack**
35 **of education, lack of financial advice, lack of financial planning, issues related to gender and**

1 the complexity of retirement planning choices.

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

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

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

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

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

11 “(E) The types of employer-sponsored retirement plans and individual retirement pro-
12 ducts offered in this state.

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

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

17 “(b) Develop recommendations for establishing an Oregon Secure Retirement Plan to of-
18 fer retirement investment plans to individuals. In developing the plan, the task force shall
19 consider including the following features:

20 “(A) Pooling individual retirement accounts.

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

23 “(C) Enabling individuals to contribute to individual retirement accounts through payroll
24 deductions.

25 “(D) Making the plan’s individual retirement accounts accessible on a voluntary basis to
26 all individuals.

27 “(E) Providing for a plan that may contract for administration or investment manage-
28 ment services with one or more appropriate providers, including but not limited to the
29 Oregon Investment Council.

30 “(F) Providing options for individual retirement accounts or individual retirement annu-
31 ities.

32 “(G) Providing for the plan to accept rollover contributions from a participant in the plan
33 or from an eligible retirement plan from which the participant is entitled to an eligible
34 rollover contribution.

35 “(2) The task force may not:

36 “(a) Include in the plan any guarantee by the State of Oregon or cause the State of
37 Oregon to incur any liability or obligation for payment of savings or benefits earned by plan
38 participants.

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

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

43 “SECTION 3. (1) On or before December 1, 2013, the Oregon Retirement Savings Invest-
44 ment Task Force shall report to an appropriate interim committee of the Legislative As-
45 sembly on the recommendations developed under section 2 of this 2013 Act. The report must

1 include:

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

4 “(b) A description of the task force’s progress in developing recommendations with re-
5 gard to the Oregon Secure Retirement Plan.

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

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

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

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

17 “(g) A discussion of the governance of the task force.

18 “(h) A review of best industry practices and recommendations for representation of plan
19 participants in creating the plan.

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

25 “(a) Compliance and enforcement measures.

26 “(b) Minimum or maximum investment levels.

27 “(c) Enrollment procedures.

28 “(d) Appropriate types of investment vehicles.

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

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

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

33 “(h) Recommendations for legislation necessary to implement the plan.

34 “(i) Any proposed rules the task force considers necessary for the administration of the
35 plan.

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

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

39 “SECTION 5. This 2013 Act being necessary for the immediate preservation of the public
40 peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect
41 on its passage.”.