

# House Bill 3436

Sponsored by Representatives BAILEY, BERGER, Senator BEYER

## 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 **as introduced**.

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

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 Board is established. The**  
5 **board consists of seven members as follows:**

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

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

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

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

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

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

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

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

18 (5) **Members of the board are entitled to compensation and expenses as provided in ORS**  
19 **292.495.**

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

22 (7) \_\_\_\_\_ **shall provide staff support to the board.**

23 **SECTION 2. (1) The Oregon Retirement Savings Investment Board shall develop recom-**  
24 **mendations for establishing an Oregon Secure Retirement Plan to offer retirement invest-**  
25 **ment plans to employees in the private sector.**

26 (2) **The plan must:**

27 (a) **Be accessible by the general public through pooled individual retirement accounts.**

28 (b) **Use best business practices to build enrollment to a level at which market efficiencies**  
29 **can lower costs to participants.**

30 (c) **Require private sector employers of a certain size who do not offer an alternative**

**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 retirement plan to offer the plan through a voluntary payroll deduction.

2 (d) Be accessible on a voluntary basis to all private sector employees and individuals.

3 (e) Be administered by the Oregon Retirement Savings Investment Board or a third party  
4 contractor and be invested by an appropriate third party contractor selected by the board.

5 (f) Provide options for individual retirement accounts or individual retirement annuity  
6 plans under section 408(a) or 408(b) of the Internal Revenue Code.

7 (g) Accept rollover contributions from a participant in the plan or from an eligible re-  
8 tirement plan from which the participant is entitled to an eligible rollover contribution.

9 (3) The plan may not:

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

12 (b) Impose any financial obligation or liability on private sector employers with regard  
13 to investment or investment performance of the plan.

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

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

19 (b) An analysis of whether the plan will comply with federal law and whether any ad-  
20 justments are needed to state or federal law to facilitate compliance with the law.

21 (c) A review of similar plans in other states.

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

26 (a) Compliance and enforcement measures.

27 (b) Minimum or maximum investment levels.

28 (c) Enrollment procedures.

29 (d) Appropriate types of investment vehicles.

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

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

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

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

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

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

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

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

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

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

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

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

