SALEM AREA
CHAMBER OF COMMERCE

Salem Area Chamber of Commerce
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RE: HB 2960 – Oregon Retirement Savings Plan

To: House Committee on Business and Labor

Our chamber desires the same outcomes as Treasurer Wheeler and the proponents of HB 2960 / SB 615. It's clear that we all want the same thing.

But for the reasons specified in the attached testimony, neither bill is acceptable in its original form. We have serious concerns that proper due diligence has not been exercised in preparation of a state-sponsored retirement plan as envisioned in these bills.

This is an issue that appears ripe for compromise. While we may not agree with every facet of the bill, we believe, at a very minimum, the bill should be amended to:

1- Ensure a feasibility analysis showing that the plan proposed by the newly-created Board would be fiscally self-sustaining and not require General Fund subsidies;

2- Obtain an opinion from the IRS confirming that the savings vehicles in the proposed plan will receive favorable tax treatment;

3- Obtain an advisory opinion from the U.S. Department of Labor indicating that any plan proposed by the Board will not expose the State of Oregon or participating employers to liabilities and responsibilities under ERISA <u>before</u> implementation of the proposed plan; and

4- Require the newly-created Board to submit the plan to the Legislature for review, fiscal analysis and approval.

Other states that have enacted similar legislation (California) or are actively considering this legislation (New Jersey) have required these provisions. We believe this is the minimum level of due diligence that must be performed to ensure that employers, taxpayers and state government are not saddled with unforeseen costs and ERISA liabilities.

Sincerely,

Jason Brandt, Chief Executive Officer

Barbara Hacke Resch

Barbara Hacke-Resch, President