

Testimony on HB 2960

Tom Simpson, Director of Government and Regulatory Affairs
Standard Insurance Company a 100 year old Oregon headquartered company
7 million insurance and retirement plan customers nationwide
2014 nationally recognized top 5 provider of employer retirement plans
24 Best in Class awards from our peers

We are opposed to HB 2960.

Last summer at the Retirement Savings Task Force, Joe Canary, Director of the Office of Regulations and Interpretations at the US Department of Labor, stated that ERISA is...”a system designed to provide...requirements for running plans, to make sure the plans are run properly, that the benefits that are promised are secure and provided [in] accordance to the law and terms of the plan.”

This is a purpose that we agree with and work hard to ensure protects our customers.

This plan you have in front of you is bending over backwards to try and avoid ERISA. It is going out of its way to ensure that ERISA doesn't apply. Why is the State working so hard to avoid these basic protections?

You wouldn't do this with the Clean Water Act, the Clean Air Act or the Endangered Species Act. This body may grumble about the costs imposed by federal regulations and protections but it tries to abide by them to protect Oregonians. Why is this case any different?

We know what it takes to abide by ERISA and what the costs look like. And we are well acquainted with how it protects Americans and their hard earned savings.

The question is how does Oregon create opportunities for its citizens to save money in a robust retirement plan while also being protected by ERISA?

Such a plan would likely be a 401k plan that offers auto enrollment, auto escalation and employer match. Employers would be incented to participate, not forced. It goes much farther down the road of providing a secure retirement for Oregonians. It will fall under ERISA. It should fall under ERISA. The real question for this body is how to move the small employer market toward this kind of plan while taking into consideration the costs and liabilities they will incur.

This bill mandates a low yield IRA that promises a secure retirement it cannot possibly deliver on, seeking to fall outside the protections of ERISA. For 500,000 Oregonians. This is not good public policy. We should not as a state seek to direct low and middle income employees into a subpar retirement savings plan when the market is full of much better options.