

HB 2960

Relating to retirement investments

The Subcommittee recommends a \$993,541 General Fund appropriation to the Oregon State Treasury and the establishment of one permanent full-time position and one permanent part-time position for the State Treasury for the Oregon Retirement Savings Board. The measure has an emergency clause and is effective on passage; however, it is not anticipated that there will be any expenditures during the current 2013-15 biennium.

The measure creates the seven-member Oregon Retirement Savings Board within the State Treasury. The Board is directed to develop and implement a defined contribution retirement plan that can be accessed through employee payroll. The Board's plan may only be established if the plan does not qualify as an employee benefit plan under federal law. Employers must offer the plan unless they provide a qualified retirement plan.

Pre-tax contributions to the plan, which would be made by employees only, would begin on July 1, 2017. The Board is required to establish rules for employees to be automatically enrolled and to be able to opt out of the plan, as well as for contribution and withdrawal processes, and exemptions for employers that provide alternative plans.

Employee accounts would be held in trust by private third party investment administrator(s). Employers and the State of Oregon would have no proprietary interest in the accounts nor would they be liable for any losses.

The measure establishes the Retirement Savings Plan Administrative Fund, into which the application, account, or administrative fees, and other sources of funding are to be

deposited to pay for the Board's operating expenses. Fee revenue is anticipated to begin during the 2017-19 biennium after the Board establishes fee amounts.

A General Fund appropriation is required to fund the Board's operating expenses until the Fund has sufficient revenue to support the Board. The measure stipulates that General Fund expenditures are to be repaid with future administrative fees.

The measure provides \$250,000 General Fund for state agencies to assist with outreach and technical assistance.

The 2017-19 cost of the measure is estimated to be \$326,956 and would be a General Fund obligation unless sufficient fee revenue is received to pay such expenses.

The General Government Subcommittee recommends HB 2960 be amended by the -A9 amendment and be reported out do pass, as amended.