

**STAFF MEASURE SUMMARY****Senate Committee On Business and Transportation****Fiscal:** Fiscal impact issued**Revenue:** Revenue impact issued**Action Date:** 03/25/15**Action:** Without Recommendation As To Passage And Be Referred To Rules.**Meeting Dates:** 03/09, 03/25**Vote:**

Yeas: 5 - Beyer, Girod, Monroe, Riley, Thomsen

**Prepared By:** James LaBar, Committee Administrator

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**WHAT THE MEASURE DOES:**

Creates seven-member Oregon Retirement Savings Board chaired by Treasurer or Treasurer's designee. Directs Board to develop defined contribution retirement plan for people employed in Oregon. Sets requirements and limitations of the retirement plan. Establishes confidentiality of information regarding individual accounts. Establishes Retirement Savings Plan Administrative Fund to pay costs and expenses of administering plan. Directs Board to report to appropriate committee of Legislative Assembly by December 31, 2016. Directs Board to establish retirement plan, unless the plan would not qualify under the Employee Retirement Income Security Act of 1974, so individuals can make contributions by June 16, 2017. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Proposed amendments
- Retirement saving trends in Oregon and across the nation
- House Bill 2960 as complementary measure
- Whether auto-enrollment triggers Employee Retirement Income Security Act (ERISA) requirements
- Role of employer to provide information enrollment packet and set up payroll deduction

**EFFECT OF COMMITTEE AMENDMENT:**

No amendment.

**BACKGROUND:**

In 2013, the Legislative Assembly passed House Bill 3436, establishing the Oregon Retirement Savings Task Force, directing the Task Force to develop recommendations for increasing the percentage of Oregonians saving for retirement or enrolled in a retirement plan and for increasing the amount of those individual savings. The Task Force issued its report at a joint meeting of the Senate Interim Committee on Finance and Revenue and the House Interim Committee on Revenue Committee in September 2014.

The Task Force recommended developing and making available a retirement savings plan to all Oregonians lacking access to a plan at their workplace. The recommendations envision a plan with a minimal employer role, automatic enrollment for the employee (with an option to opt-out), payroll deduction, and annual automatic escalation (with opt-out) of monthly contribution, among other factors. The plan would be part of an overall retirement security program directed by a state board aimed at increasing enrollment in retirement security accounts. The program would include market research, small business outreach, research into incentives, seeking legal guidance, and efforts to increase financial literacy.

Senate Bill 615 creates the Oregon Retirement Savings Board within the Office of the Treasurer. The Board is to create a defined contribution retirement plan for any person employed in Oregon. The plan is to be operating by June 16, 2017, unless it is determined that the plan would not qualify under the federal Employee Retirement Income Security Act of 1974.