

SB 166 STAFF MEASURE SUMMARY

Carrier: Sen. Dembrow

Senate Committee On Business and General Government

Action Date: 01/24/19
Action: Do pass.
Vote: 4-0-1-0
Yeas: 4 - Dembrow, Girod, Olsen, Riley
Exc: 1 - Hass
Fiscal: Fiscal impact issued
Revenue: No revenue impact
Prepared By: Tyler Larson, LPRO Analyst
Meeting Dates: 1/24

WHAT THE MEASURE DOES:

Allows Oregon Retirement Savings Board to enter into agreements with other states to provide services related to retirement savings plan administered by those and similar to the plan administered by the board. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- OregonSaves implementation and ongoing developments
- Contract providers for OregonSaves and volume discounts
- Potential impact of contracting with other states to provide services

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

HB 2960 (2015) created the seven-member Oregon Retirement Savings Board, chaired by the State Treasurer, and directed the board to develop a defined contribution retirement plan for people employed in Oregon. The OregonSaves pilot program launched July 1, 2017, and was rolled out statewide on October 15, 2017. Employers with 20 or more employees are currently required to automatically enroll their employees in OregonSaves if the employer does not offer a qualified retirement plan. Employees enrolled in OregonSaves make post-tax contributions to a Roth IRA which is administered by the Oregon State Treasury. Employers do not contribute to OregonSaves accounts.

Senate Bill 166 allows the board to enter into agreements to offer retirement savings plan services to states administering a plan similar to OregonSaves. The Oregon State Treasury contracts with two providers to operate OregonSaves, both of which offer volume discounts and which can be leveraged to reduce costs to the state and its potential partners.