

SB 164 A STAFF MEASURE SUMMARY

Carrier: Rep. Clem

House Committee On Business and Labor**Action Date:** 04/24/19**Action:** Do Pass the A-Eng bill.**Vote:** 6-3-2-0**Yeas:** 6 - Barker, Barreto, Bynum, Doherty, Evans, Fahey**Nays:** 3 - Boles, Bonham, Boshart Davis**Exc:** 2 - Clem, Holvey**Fiscal:** Has minimal fiscal impact**Revenue:** No revenue impact**Prepared By:** Jan Nordlund, LPRO Analyst**Meeting Dates:** 4/17, 4/24**WHAT THE MEASURE DOES:**

Makes employer's failure to comply with requirements of Oregon Retirement Savings Board an unlawful practice. Allows Board to request investigation by Commissioner of Bureau of Labor and Industries (BOLI) under specified conditions. Authorizes employee to submit complaint to BOLI no earlier than two years after employer is required to register with plan. Authorizes BOLI to investigate requests from Board and complaints from employees. Requires BOLI to inform Board of final orders issued. Authorizes Commissioner to assess civil penalties of up to \$100 per eligible employee, not to exceed aggregate amount of \$5,000 in a year. Allows Commissioner to adjust amount of civil penalty upon showing of mitigating or aggravating circumstances.

ISSUES DISCUSSED:

- Implementation occurring with six phased enrollments through 2020, with smallest employers last to enroll
- Progress in registering employers and percentage of employees opting to not make contributions
- Whether enforcement was contemplated when House Bill 2960 was enacted in 2015
- Grace period and communications that must take place before enforcement action taken

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

In 2015, House Bill 2960 was enacted to create the seven-member Oregon Retirement Savings Board, chaired by the State Treasurer. In 2017, the Board created OregonSaves, a defined contribution retirement plan.

Employers with 20 or more employees are required to automatically enroll their employees in OregonSaves if the employer does not offer a qualified retirement plan. Over the next twelve months, smaller employers will also be required to automatically enroll their employees if the employer does not offer a qualified plan. Employees enrolled in OregonSaves make post-tax contributions to a Roth IRA that is administered by the Oregon State Treasury. Employers do not contribute to OregonSaves accounts and employees may opt not to contribute after their employer enrolls them.

Currently, no enforcement process exists for ensuring compliance with the Board's requirements. Senate Bill 164-A authorizes BOLI to enforce the Board's rules governing retirement plans using BOLI's contested case process. The Board can request BOLI investigate if, after making three attempts using different forms of communication, the Board has reasonable grounds to believe the employer remains in violation. BOLI can accept complaints from employees no earlier than two years following the date by which an employer is required to register with OregonSaves.