



Connecticut **Business & Industry** Association

**Testimony Of
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Connecticut Business & Industry Association
Commerce Committee
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My name is Jesmin Basanti. I am a staff attorney for the Connecticut Business and Industry Association (hereinafter "CBIA"). CBIA represents approximately 10,000 member companies in virtually every industry. They range from large, global corporations to small, family owned businesses. The vast majority of our member companies have fewer than 50 employees.

Small businesses have always fostered economic growth in Connecticut and should be supported in their endeavors and given the assistance they need to continue growing. CBIA appreciates the committee's commitment to helping small businesses; however, we do not believe that the state would add any value in one particular measure. For this reason, we oppose **SB 652, An Act Concerning Small Business Retirement Plans**.

This proposal would allow the state to take over retirement plans for small businesses when there is no need for them to do so. As the Democrats for Economic Prosperity so succinctly put it, "the role of government is to steer, not row." This means that the state should regulate in a manner that avoids overburdening business and work to develop policy based on research, evidence and data rather than stretching themselves into areas that are already operating effectively.

Currently, small businesses must meet federal requirements, under ERISA, in order to meet specific rules for minimum contributions, which are usually about 3% of pay. This legislation seeks to minimize costs by helping small employers and individuals to purchase retirement savings plans. The costs that they are referring to cannot be eliminated. Therefore the state cannot make these programs any less expensive than the current employer-sponsored retirement arrangements.

SB 652 is not the path the state should take. We agree with the Democrats for Economic Prosperity that state government should maintain its role to steer and let businesses who already understand the complex process of retirement plans continue to row.

Thank you for the opportunity to testify today and I would be happy to answer any questions that you may have.