



Connecticut Business & Industry Association

**Testimony Of
Jesmin K. Basanti, CBIA
Before the Committee on Commerce
Legislative Office Building
Hartford, Connecticut
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Good Morning Senator LeBeau, Representative Berger and all other members of the Commerce Committee. My name is Jesmin Basanti, Staff Attorney for the Connecticut Business and Industry Association (CBIA). CBIA represents approximately 10,000 member companies in virtually every industry and 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 is adding any value by introducing measures that are incredibly unnecessary. For this reason, we oppose **SB 971, 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. In this economy, the states' resources need to be used to address our budget and deficit issues, not be frivolously shifted into another area that is being served well in the private sector. Now is not the time for state government to compete for Connecticut jobs.

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 971 is not the answer. The state should regulate in a manner that avoids over-burdening business and work to develop policy based on research, evidence and data rather than stretching themselves into areas that are already operating effectively.

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