



General Assembly

Substitute Bill No. 54

January Session, 2013



AN ACT ESTABLISHING A RETIREMENT SAVINGS PLAN FOR LOW-INCOME PRIVATE SECTOR WORKERS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2013*) As used in this section and
2 sections 2 to 14, inclusive, of this act:

3 (1) "Connecticut Retirement Security Trust Fund" or "trust" means
4 the trust fund established pursuant to section 2 of this act, in
5 accordance with section 3-13c of general statutes, as amended by this
6 act;

7 (2) "Connecticut Retirement Security Trust Fund Board" or "board"
8 means the governing body of the Connecticut Retirement Security
9 Trust Fund, established pursuant to section 2 of this act;

10 (3) "Eligible employee" means any individual who is employed by a
11 qualified employer and who is not eligible to participate in a
12 qualifying plan or arrangement described in Section 219(g)(5) of
13 Internal Revenue Code, except (A) any individual who is seventeen
14 years of age or younger on January first of each year, and (B) any
15 individual who is included in a unit of employees covered by a
16 collective bargaining agreement between employee representatives
17 and one or more employers, if there is evidence that retirement
18 benefits were the subject of good faith bargaining between such

19 employee representatives and such employer or employers;

20 (4) "Individual retirement account" means an individual retirement
21 account or individual retirement annuity within the trust established
22 in accordance with Section 408(a) or (b) of the Internal Revenue Code;

23 (5) "Individual retirement savings balance" means the sum of all
24 assets deposited into a plan participant's individual retirement
25 account, plus accumulated interest and minus any fees;

26 (6) "Internal Revenue Code" means the Internal Revenue Code of
27 1986, or any subsequent corresponding internal revenue code of the
28 United States, as amended from time to time;

29 (7) "Plan participant" means any eligible employee who maintains
30 an individual retirement account within the trust;

31 (8) "Public retirement plan" or "plan" means a retirement plan
32 designed by the Connecticut Retirement Security Trust Fund Board
33 and offered through the Connecticut Retirement Security Trust Fund
34 to eligible employees and qualified employers in the state; and

35 (9) "Qualified employer" means any person, corporation, limited
36 liability company, firm, partnership, voluntary association, joint stock
37 association or other entity that employs five or more persons in the
38 state. "Qualified employer" does not include: (A) The federal
39 government, (B) the state or any political subdivision thereof, or (C)
40 any municipality, unit of a municipality or municipal housing
41 authority.

42 Sec. 2. (NEW) (*Effective July 1, 2013*) (a) There is established a fund to
43 be known as the "Connecticut Retirement Security Trust Fund" the
44 purpose of which shall be to promote and enhance retirement savings
45 for private sector employees in the state. The Connecticut Retirement
46 Security Trust Fund shall be a nonlapsing fund held by the Treasurer
47 separate and apart from all other moneys, funds and accounts.
48 Investment earnings credited to the fund shall become part of the trust.

49 (b) The trust shall constitute an instrumentality of the state and shall
50 perform essential governmental functions, in accordance with the
51 provisions of this section. The trust shall receive and hold all payments
52 and deposits or contributions intended for the trust, as well as gifts,
53 bequests, endowments or federal, state or local grants and any other
54 funds from any public or private source and all earnings until
55 disbursed in accordance with the provisions of this section.

56 (c) The amounts on deposit in the trust shall not constitute property
57 of the state and the trust shall not be construed to be a department,
58 institution or agency of the state. Amounts on deposit in the trust shall
59 not be commingled with state funds and the state shall have no claim
60 to or against, or interest in, such funds. Any contract entered into by or
61 any obligation of the trust shall not constitute a debt or obligation of
62 the state and the state shall have no obligation to any designated
63 beneficiary or any other person on account of the trust and all amounts
64 obligated to be paid from the trust shall be limited to amounts
65 available for such obligation on deposit in the trust. The amounts on
66 deposit in the trust may only be disbursed in accordance with the
67 provisions of this section. The trust shall continue in existence as long
68 as it holds any deposits or has any obligations and until its existence is
69 terminated by law and upon termination any unclaimed assets shall
70 return to the state. Property of the trust shall be governed by section 3-
71 61a of the general statutes.

72 (d) The State Treasurer shall be responsible for the receipt and
73 investment of moneys held by the trust. The trust shall not receive
74 deposits in any form other than cash, except in the case of a rollover
75 contribution described in Section 402(c), 403(a)(4), 403(b)(8) or 457
76 (e)(16) of the Internal Revenue Code. No depositor or designated
77 beneficiary may direct the investment of any contributions or amounts
78 held in the trust other than the specific fund options provided for by
79 the trust.

80 (e) The assets of the trust shall be used for the purpose of
81 distributing individual retirement savings balances to the plan

82 participants and paying the operational, administrative and
83 investment costs of the trust.

84 Sec. 3. (NEW) (*Effective July 1, 2013*) (a) There is established the
85 Connecticut Retirement Security Trust Fund Board which shall serve
86 as the trustee of the Connecticut Retirement Security Trust Fund. The
87 board is charged with the implementation and administration of the
88 trust, including the design of the public retirement plan.

89 (b) Notwithstanding the provisions of section 4-9a of the general
90 statutes, the board shall consist of the following trustees:

91 (1) One appointed by the speaker of the House of Representatives,
92 who shall represent an organization whose principle purpose is
93 advocacy for seniors and who shall serve an initial term of four years;

94 (2) One appointed by the president pro tempore of the Senate, who
95 shall be an academic expert on retirement plan designs and who shall
96 serve an initial term of four years;

97 (3) One appointed by the majority leader of the House of
98 Representatives, who shall be a representative of the business
99 community who manages employee retirement plan options and who
100 shall serve an initial term of four years;

101 (4) One appointed by the majority leader of the Senate, who shall be
102 an organized labor representative and who shall serve an initial term
103 of four years;

104 (5) One appointed by the minority leader of the House of
105 Representatives, who shall be a representative of the business
106 community with expertise in consumer retirement planning and who
107 shall serve an initial term of three years;

108 (6) One appointed by the minority leader of the Senate, who shall be
109 an expert in designing retirement plan options for businesses and who
110 shall serve an initial term of three years;

111 (7) One appointed by the Governor, who shall be an academic
112 expert in the needs of an aging population and who shall serve an
113 initial term of three years;

114 (8) The State Comptroller, or the State Comptroller's designee;

115 (9) The State Treasurer, or the State Treasurer's designee;

116 (10) The Labor Commissioner, or the commissioner's designee; and

117 (11) The Secretary of the Office of Policy and Management, or the
118 secretary's designee.

119 (c) All appointments to the board shall be made not later than thirty
120 calendar days after the effective date of this section. Following the
121 expiration of their initial terms, subsequent trustees appointed by
122 members of the General Assembly shall serve three-year terms. Any
123 vacancy shall be filled by the appointing authority not later than thirty
124 calendar days after the office becomes vacant. Any trustee previously
125 appointed to the board may be reappointed.

126 (d) The Comptroller and the Treasurer shall serve as chairpersons of
127 the board. Said chairpersons shall schedule the first meeting of the
128 board, which shall be held not later than forty calendar days after the
129 effective date of this section. The board shall meet at least monthly.

130 (e) The trustees shall serve without compensation but shall, within
131 available appropriations, be reimbursed in accordance with the
132 standard travel regulations for all necessary expenses that they may
133 incur through service on the board.

134 (f) Each trustee shall, not later than ten calendar days after
135 appointment, take an oath of office that so far as it devolves upon the
136 trustee, the trustee will diligently and honestly administer the affairs of
137 the board, and will not knowingly violate or willingly permit to be
138 violated any of the provisions of law applicable to the trust. Each
139 trustee's term shall begin from the date the trustee takes such an oath.

140 (g) Each trustee shall be entitled to one vote on the board. A
141 majority of the board shall constitute a quorum for the transaction of
142 any business, the exercise of any power or the performance of any
143 duty authorized or imposed by law.

144 (h) The board shall be within the Retirement Division of the office of
145 the Comptroller for administrative purposes only.

146 (i) The board, on behalf of the trust and for purposes of
147 implementing the plan, shall:

148 (1) Establish consistent terms for each individual retirement
149 account, including, but not limited to, (A) the method of payment into
150 the trust by payroll deduction, or rollover contribution described in
151 Section 402(c), 403(a)(4), 403(b)(8) or 457(e)(16) of the Internal Revenue
152 Code, transfer from bank accounts or otherwise, (B) the termination,
153 withdrawal or transfer of payments under the trust, including the
154 purchase of an annuity product upon retirement, (C) changing of the
155 identity of the designated beneficiary, (D) any charges or fees in
156 connection with the administration of the plan, and (E) interest
157 allocated to individual retirement accounts for a given calendar year
158 based upon the performance of the trust;

159 (2) Enter into one or more contractual agreements, including
160 contracts for legal, actuarial, accounting, custodial, advisory,
161 management, administrative, advertising, marketing and consulting
162 services for the plan and pay for such services from the trust;

163 (3) Adopt such regulations in accordance with the provisions of
164 chapter 54 of the general statutes as are necessary to carry out the
165 provisions of this section and may establish rules and regulations
166 which it deems necessary or desirable to facilitate the proper
167 administration of the trust. Rules and regulations established by the
168 board shall be binding upon all parties dealing with the board and all
169 persons claiming any benefits from the trust;

170 (4) Hire staff, including a program administrator;

171 (5) Form working groups as necessary to solicit feedback from key
172 stakeholders on the design of the plan, advocate for changes in federal
173 retirement law to improve retirement security, assess the impact of the
174 plan on reducing public assistance costs for the elderly in the state and
175 determine if changes in federal or state tax law could help employees
176 in the state save for retirement; and

177 (6) Develop alternative plan designs, if necessary, to help eligible
178 employees in the state save for retirement.

179 (j) In conducting the business of the trust, including its oversight
180 functions, the board shall act: (1) With the care, skill, prudence and
181 diligence under the circumstances then prevailing that a prudent
182 person acting in a like capacity and familiar with such matters would
183 use in the conduct of an enterprise of a like character and with like
184 aims; (2) in accordance with strict fiduciary standards and
185 responsibilities; and (3) in accordance with the provisions of the
186 general statutes.

187 (k) The board shall ensure that the trust complies with all applicable
188 requirements of federal and state laws, rules and regulations to the
189 extent necessary for the trust to meet all criteria for federal tax-deferral
190 or tax-exempt benefits under the Internal Revenue Code.

191 (l) (1) All plans, descriptions and reports and all legal, financial and
192 actuarial documents dealing with the general operations of the plan
193 shall be available for inspection and copying by members and their
194 representatives. The cost of any copying shall be borne by the member
195 or representative, but shall not exceed twenty-five cents per page.

196 (2) Each year the Treasurer shall publish and forward to the board a
197 consolidated report showing the fiscal transactions of the trust for the
198 preceding fiscal year, including gain or loss by category of security, a
199 reconciliation of assets showing the progression of the trust from one
200 year to the next, the amount of the accumulated cash and securities of
201 the system and the last balance sheet showing the financial condition

202 of the system by means of an actuarial valuation of its assets and
203 liabilities. Assets shall be shown at book and market value and by type
204 or term of investment. Gain or loss shall be reported by category of
205 security type.

206 Sec. 4. (NEW) (*Effective July 1, 2013*) Each individual retirement
207 account shall include design features prescribed by the Connecticut
208 Retirement Security Trust Fund Board. The board may amend such
209 features from time to time to serve the interests of eligible employees,
210 plan participants, qualified employers and other stakeholders. Each
211 individual retirement account shall:

212 (1) Provide automatic roll-over of a plan participant's individual
213 retirement savings balance upon any change of employment.
214 Participants shall not liquidate their individual retirement accounts
215 upon changes in employer;

216 (2) Transition to an inflation-indexed annuity with options for
217 spousal benefits and lump-sum distribution upon the plan
218 participant's retirement;

219 (3) Assure plan portability through maintenance of separate
220 accounts for each plan participant. Each qualified employer shall allow
221 eligible employees to contribute to the plan through payroll deduction
222 and through any other means prescribed by the board;

223 (4) Offer a guaranteed interest rate to plan participants upon the
224 board analyzing expected rates of return on trust assets;

225 (5) Include a written quarterly report detailing: (A) The individual
226 retirement savings balance of such plan participant's individual
227 retirement account, (B) the estimated value of assets available upon
228 such plan participant's retirement, (C) an estimate of such plan
229 participant's expected monthly retirement income, and (D) the total
230 assets in the trust including an accounting of contributions by plan
231 participants and qualified employers and investment returns. This
232 information shall be made available through a secure Internet web site.

233 The report shall comply with all federal regulations regarding
234 reporting;

235 (6) Require that all assets in the individual retirement account,
236 whether contributed by a plan participant or a qualified employer or
237 accrued through investments, shall vest immediately upon a plan
238 participant's enrollment in the plan;

239 (7) Provide preretirement death benefits to enable a plan participant
240 to bequeath assets to designated beneficiaries; and

241 (8) Ensure that all contributions to individual retirement accounts
242 are tax qualified under the Internal Revenue Code and the state tax
243 code.

244 Sec. 5. (NEW) (*Effective July 1, 2013*) The Treasurer, on behalf of the
245 Connecticut Retirement Security Trust Fund and for purposes of the
246 trust, shall:

247 (1) Receive and invest moneys in the trust in any instruments,
248 obligations, securities or property in accordance with section 6 of this
249 act;

250 (2) Procure insurance in connection with the trust's property, assets,
251 activities or deposits or contributions to the trust;

252 (3) Apply for, accept and expend gifts, grants or donations from
253 public or private sources to enable the trust to carry out its objectives;
254 and

255 (4) Establish one or more funds within the trust and maintain
256 separate accounts for each individual retirement account.

257 Sec. 6. (NEW) (*Effective July 1, 2013*) Notwithstanding sections 3-13
258 to 3-13h, inclusive, of the general statutes, the Treasurer shall invest
259 the amounts on deposit in the trust in a manner reasonable and
260 appropriate to achieve the objectives of the trust, exercising the

261 discretion and care of a prudent person in similar circumstances with
262 similar objectives. The Treasurer shall give due consideration to rate of
263 return, risk, term or maturity, diversification of the total portfolio
264 within the trust, liquidity, the projected disbursements and
265 expenditures and the expected payments, deposits, contributions and
266 gifts to be received. The Treasurer shall not require the trust to invest
267 directly in obligations of the state or any political subdivision of the
268 state or in any investment or other fund administered by the Treasurer.
269 The assets of the trust shall be continuously invested and reinvested in
270 a manner consistent with the objectives of the trust until disbursed
271 upon order of the board or expended on expenses incurred by the
272 operations of the trust.

273 Sec. 7. (NEW) (*Effective July 1, 2013*) The Connecticut Retirement
274 Security Trust Fund Board, shall establish and evaluate procedures
275 necessary to implement the public retirement plan. The board shall:

276 (1) Design, establish and operate the plan to: (A) Increase access and
277 enrollment in quality retirement plans that provide an annuitized
278 benefit; (B) provide a guaranteed rate of return; (C) reduce the need for
279 public assistance through a system of prefunded retirement-income;
280 (D) offer low administrative costs and streamlined enrollment; (E)
281 minimize the need for financial sophistication for plan participants;
282 and (F) ensure trust and transparency in the management of retirement
283 funds through oversight and ethics review of plan fiduciaries;

284 (2) Explore and establish investment options that offer plan
285 participants the conversion of individual retirement account balances
286 to secure retirement income without incurring debt or liabilities to the
287 state;

288 (3) Establish the process for plan enrollees to switch from the default
289 of lifetime annuity to lump-sum payout upon retirement;

290 (4) Disseminate educational information concerning saving and
291 planning for retirement;

292 (5) Disseminate information concerning the tax credits available to
293 small business owners for establishing new retirement plans and the
294 federal retirement savings contribution credit available to lower and
295 moderate-income households for qualified savings contributions;

296 (6) Determine the eligibility of an employer, employee or any other
297 individual to participate in the program;

298 (7) Evaluate and establish the process by which a plan participant
299 shall contribute a portion of his or her salary or wages to his or her
300 individual retirement account;

301 (8) Evaluate and establish the process by which a qualified
302 employer shall credit the plan participant's contributions to his or her
303 individual retirement account through payroll deposit;

304 (9) Evaluate and establish the process by which a qualified
305 employer shall contribute to a plan participant's individual retirement
306 account, provided: (A) The contribution shall be allowed under the
307 Internal Revenue Code, and (B) the contribution shall not cause the
308 plan to be treated as an employee benefit plan under the federal
309 Employee Retirement Income Security Act of 1974;

310 (10) Design and establish the process for the enrollment of eligible
311 employees in the plan and design and establish the process by which
312 an individual or employee of a nonparticipating employer may enroll
313 in or make contributions to the program. This process shall include,
314 but not be limited to, the creation of an information packet including
315 the necessary paperwork for an eligible employee to enroll in or opt-
316 out of the plan;

317 (11) Develop one or more payroll deposit savings arrangements
318 through which qualified employers may make deposits into the trust;

319 (12) Establish and maintain a secure Internet web site that displays
320 all public notices issued by the board and such other information as
321 the board deems relevant pursuant to the education of the public

322 regarding the plan;

323 (13) Submit, in accordance with the provisions of section 11-4a of
324 the general statutes, a report to the General Assembly regarding any
325 changes that are necessary for the implementation of the plan; and

326 (14) Set maximum investment levels in accordance with
327 contribution limits set for individual retirement accounts by the
328 Internal Revenue Code.

329 Sec. 8. (NEW) (*Effective July 1, 2013*) (a) Not later than August 1,
330 2014, or ninety days following the date on which the conditions
331 required by section 17 of this act have been met, whichever is later, the
332 Connecticut Retirement Security Trust Fund Board shall open the
333 public retirement plan to enrollment.

334 (b) On or before December 1, 2014, and annually thereafter, the
335 board shall declare the rate at which interest shall be allocated to
336 individual retirement accounts for the following calendar year
337 commencing January first. Any interest accrued on moneys held in the
338 plan from the plan's opening until January 1, 2015, shall be used to
339 establish a reserve fund held by the Treasurer.

340 (c) Interest shall be allocated to individual retirement accounts and
341 shall be computed at the stated interest rate on the balance of an
342 eligible employee's account and shall be compounded daily.

343 (d) On or before December 1, 2014, and annually thereafter, the
344 board shall notify all plan participants of any changes to the default
345 contribution rate for the following calendar year.

346 (e) (1) Administrative fees shall be allocated to each individual
347 retirement account on a pro rata basis.

348 (2) Annual administrative expenses shall not exceed one per cent of
349 the total trust balance.

350 (f) All expenses, including employee costs, incurred to implement,
351 maintain, advertise and administer the plan shall be paid from money
352 collected by or for the trust.

353 Sec. 9. (NEW) (*Effective July 1, 2013*) (a) Not later than ninety
354 calendar days after the Connecticut Retirement Security Trust Fund
355 Board opens the plan for enrollment, qualified employers shall offer
356 eligible employees a payroll deposit option to facilitate participation in
357 the plan.

358 (b) (1) Each eligible employee shall be enrolled in the plan unless
359 such employee elects not to participate in the plan.

360 (2) An eligible employee may elect to opt out of the plan by
361 providing written notice, on such form and in such manner as the
362 board may prescribe, to the board and such eligible employee's
363 employer.

364 (3) Following initial implementation of the plan in accordance with
365 this section, and at least biennially thereafter, qualified employers shall
366 designate an open enrollment period during which each eligible
367 employee who previously opted out of the plan shall be enrolled in the
368 plan unless the employee again elects to opt out.

369 (4) Any eligible employee not participating in the plan may enroll at
370 any time by submitting written notice, on such form and in such
371 manner as the board may prescribe, to the board and such eligible
372 employee's employer.

373 (c) (1) A qualified employer shall retain the option at all times to set
374 up any type of employer-sponsored retirement plan.

375 (2) A qualified employer may establish an employer-sponsored
376 retirement plan provided such qualified employer notifies each eligible
377 employee and plan participant, within a reasonable amount of time
378 and in a manner prescribed by the board.

379 (d) (1) In accordance with the provisions of chapter 54 of the general
380 statutes, the board may set a default contribution amount as a
381 percentage of salary at not less than three per cent and may vary such
382 amount according to the length of time that an eligible employee has
383 contributed to the plan.

384 (2) Plan participants may, at any time, on a form and in a manner
385 prescribed by the board, elect to change their level of contribution.

386 Sec. 10. (NEW) (*Effective July 1, 2013*) From time to time, the
387 Connecticut Retirement Security Trust Fund Board shall consider the
388 opinions of eligible employees, plan participants, qualified employers
389 and other stakeholders in making modifications to the public
390 retirement plan by: (1) Holding public hearings to allow eligible
391 employees, plan participants, qualified employers and other
392 stakeholders to comment on the plan, including the default
393 contribution amounts, guaranteed interest rates and fees charged; (2)
394 surveying plan participants and qualified employers to assess their
395 experience with the plan; and (3) assessing the marketplace of
396 employer-sponsored retirement plan offerings to determine what is
397 otherwise available to employees and residents in the state.

398 Sec. 11. (NEW) (*Effective July 1, 2013*) (a) Qualified employers shall
399 not be liable for an eligible employee's decision to participate in or opt-
400 out of the public retirement plan, or for the investment performance of
401 assets deposited in the trust.

402 (b) (1) A qualified employer shall not be a fiduciary or considered to
403 be a fiduciary of the plan.

404 (2) A qualified employer shall not be responsible for the
405 administration, investment or investment performance of the plan.

406 (3) A qualified employer shall not be liable with regard to
407 investment returns, plan design or retirement income paid to plan
408 participants.

409 (c) A qualified employer's voluntary contribution made in
410 accordance with the process established under section 7 of this act may
411 not contradict the provisions of this section or change the qualified
412 employer's relationship to the plan or such qualified employer's
413 obligations to eligible employees.

414 Sec. 12. (NEW) (*Effective July 1, 2013*) (a) The state shall not be liable
415 for the payment of the individual retirement account balance earned
416 by plan participants.

417 (b) Any financial liability for the payment of retirement account
418 balances in excess of funds available in the trust shall be borne by the
419 entities with whom the Treasurer contracts to provide insurance to
420 protect the value of the trust.

421 (c) The state, and any of the funds of the state, shall not have any
422 obligation for the payment of the benefits arising from this section.

423 Sec. 13. (NEW) (*Effective July 1, 2013*) (a) No qualified employer
424 shall, without good cause, fail to allow an eligible employee to
425 participate in the plan. The Labor Commissioner shall administer this
426 section.

427 (b) Qualified employers shall remit all moneys intended for the trust
428 not later than fourteen calendar days after the date such moneys were
429 deducted from each plan participant's wages.

430 (c) Any eligible employee or plan participant aggrieved by a
431 violation of the provisions of sections 2 to 14, inclusive, of this act and
432 section 3-13c of the general statutes, as amended by this act, may file a
433 complaint with the Labor Commissioner. Upon receipt of any such
434 complaint, the commissioner may hold a hearing. After the hearing,
435 any qualified employer who is found by the Labor Commissioner, by a
436 preponderance of the evidence, to have violated the provisions of this
437 section shall be liable to the Labor Department for a civil penalty of six
438 hundred dollars for each eligible employee employed by the qualified
439 employer. Any party aggrieved by the decision of the commissioner

440 may appeal the decision to the Superior Court in accordance with the
441 provisions of chapter 54 of the general statutes.

442 (d) Penalties collected in accordance with this section shall be
443 deposited in the trust.

444 Sec. 14. (NEW) (*Effective July 1, 2013*) (a) Each trustee of the
445 Connecticut Retirement Security Trust Fund Board shall file, with the
446 board and with the Office of State Ethics, a statement of financial
447 interests, as described in section 1-83 of the general statutes. Such
448 statement shall be a public record.

449 (b) The board shall submit, in accordance with the provisions of
450 section 11-4a of the general statutes: (1) An annual audit, prepared in
451 accordance with generally-accepted accounting principles by an
452 independent certified accountant, on the operations of the trust and
453 plan not later than January first of each year, following its first full year
454 of implementation, to the Governor, president pro tempore of the
455 Senate and the speaker of the House of Representatives, and (2) a
456 report prepared by the board, which shall include, but not be limited
457 to, a summary of the plan design and operation, the number of plan
458 participants and the average contribution of said plan participants, and
459 the rates of return and administrative costs as a percentage of total
460 assets of the plan.

461 Sec. 15. Section 3-13c of the general statutes is repealed and the
462 following is substituted in lieu thereof (*Effective from passage*):

463 Trust funds as used in sections 3-13 to 3-13e, inclusive, and 3-31b
464 shall be construed to include Connecticut Municipal Employees'
465 Retirement Fund A, Connecticut Municipal Employees' Retirement
466 Fund B, Soldiers, the Connecticut Retirement Security Trust Fund,
467 Sailors and Marines Fund, State's Attorneys' Retirement Fund,
468 Teachers' Annuity Fund, Teachers' Pension Fund, Teachers'
469 Survivorship and Dependency Fund, School Fund, State Employees
470 Retirement Fund, the Hospital Insurance Fund, Policemen and

471 Firemen Survivor's Benefit Fund and all other trust funds
472 administered, held or invested by the Treasurer.

473 Sec. 16. (*Effective July 1, 2013*) (a) The Connecticut Retirement
474 Security Trust Fund Board shall conduct a market feasibility study to
475 determine whether the necessary conditions for implementation of this
476 act can be met, including: (1) Likely participation rates; (2) contribution
477 levels; (3) rate of account closures and rollovers; and (4) ability to
478 provide employers with a payroll deposit system for remitting
479 contributions from employees.

480 (b) Not later than December 15, 2013, the board shall submit, in
481 accordance with the provisions of section 11-4a of the general statutes,
482 a report on the findings of such study and any recommendations
483 therefrom to the Governor and to the joint standing committee of the
484 General Assembly having cognizance of matters relating to labor and
485 public employees.

486 Sec. 17. (NEW) (*Effective July 1, 2013*) (a) Prior to the implementation
487 of any plan, trust, administrative arrangement or investment offering
488 under the provisions of sections 2 to 14, inclusive, of this act and
489 section 3-13c of the general statutes, as amended by this act, the
490 Connecticut Retirement Security Trust Fund Board shall determine
491 that, based on the market analysis, the provisions of sections 2 to 14,
492 inclusive, of this act and section 3-13c of the general statutes, as
493 amended by this act, will be self-sustaining, and funds are made
494 available through a nonprofit or other private entity, federal funding,
495 or appropriations by the General Assembly in amounts sufficient to
496 allow the board to implement this act until the board has sufficient
497 funds to be self-sustaining.

498 (b) Prior to the implementation of any plan, trust, administrative
499 arrangement or investment offering under the provisions of sections 2
500 to 14, inclusive, of this act and section 3-13c of the general statutes, as
501 amended by this act, the arrangements for individual retirement
502 accounts shall qualify for the favorable federal income tax treatment

503 ordinarily accorded to individual retirement accounts under the
504 Internal Revenue Code, and the public retirement plan shall be
505 determined not to be an employee benefit plan under the federal
506 Employee Retirement Income Security Act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2013</i>	New section
Sec. 2	<i>July 1, 2013</i>	New section
Sec. 3	<i>July 1, 2013</i>	New section
Sec. 4	<i>July 1, 2013</i>	New section
Sec. 5	<i>July 1, 2013</i>	New section
Sec. 6	<i>July 1, 2013</i>	New section
Sec. 7	<i>July 1, 2013</i>	New section
Sec. 8	<i>July 1, 2013</i>	New section
Sec. 9	<i>July 1, 2013</i>	New section
Sec. 10	<i>July 1, 2013</i>	New section
Sec. 11	<i>July 1, 2013</i>	New section
Sec. 12	<i>July 1, 2013</i>	New section
Sec. 13	<i>July 1, 2013</i>	New section
Sec. 14	<i>July 1, 2013</i>	New section
Sec. 15	<i>from passage</i>	3-13c
Sec. 16	<i>July 1, 2013</i>	New section
Sec. 17	<i>July 1, 2013</i>	New section

LAB *Joint Favorable Subst.*

APP *Joint Favorable*