



General Assembly

Amendment

January Session, 2013

LCO No. 7752

SB0005407752SD0

Offered by:

SEN. LOONEY, 11th Dist.

SEN. OSTEN, 19th Dist.

To: Subst. Senate Bill No. 54

File No. 309

Cal. No. 234

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

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective July 1, 2013*) As used in this section and
4 sections 2 to 15, inclusive, of this act:

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

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

12 (3) "Eligible employee" means any individual who is employed by a
13 qualified employer, except (A) any individual who is seventeen years

14 of age or younger on January first of each year, and (B) any individual
15 who is included in a unit of employees covered by a collective
16 bargaining agreement between employee representatives and one or
17 more employers, if there is evidence that retirement benefits were the
18 subject of good faith bargaining between such employee
19 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;

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; and

42 (10) "Vendor" means (A) a regulated investment company or an
43 insurance company conducting business in the state, or (B) a company

44 conducting business in the state to (i) provide payroll or recordkeeping
45 services, and (ii) offer retirement plans or payroll deposit individual
46 retirement account arrangements using products of regulated
47 investment companies. "Vendor" does not include individual
48 registered representatives, brokers, financial planners or agents.

49 Sec. 2. (NEW) (*Effective July 1, 2013*) (a) There is established a fund to
50 be known as the "Connecticut Retirement Security Trust Fund" the
51 purpose of which shall be to promote and enhance retirement savings
52 for private sector employees in the state. The Connecticut Retirement
53 Security Trust Fund shall be a nonlapsing fund held by the State
54 Treasurer separate and apart from all other moneys, funds and
55 accounts. Investment earnings credited to the fund shall become part
56 of the trust.

57 (b) The trust shall constitute an instrumentality of the state and shall
58 perform essential governmental functions, in accordance with the
59 provisions of this section. The trust shall receive and hold all payments
60 and deposits or contributions intended for the trust, as well as gifts,
61 bequests, endowments or federal, state or local grants and any other
62 funds from any public or private source and all earnings until
63 disbursed in accordance with the provisions of this section.

64 (c) The amounts on deposit in the trust shall not constitute property
65 of the state and the trust shall not be construed to be a department,
66 institution or agency of the state. Amounts on deposit in the trust shall
67 not be commingled with state funds and the state shall have no claim
68 to or against, or interest in, such funds. Any contract entered into by or
69 any obligation of the trust shall not constitute a debt or obligation of
70 the state and the state shall have no obligation to any designated
71 beneficiary or any other person on account of the trust and all amounts
72 obligated to be paid from the trust shall be limited to amounts
73 available for such obligation on deposit in the trust. The amounts on
74 deposit in the trust may only be disbursed in accordance with the
75 provisions of this section. The trust shall continue in existence as long
76 as it holds any deposits or has any obligations and until its existence is

77 terminated by law and upon termination any unclaimed assets shall
78 return to the state. Property of the trust shall be governed by section 3-
79 61a of the general statutes.

80 (d) The Treasurer shall be responsible for the receipt and investment
81 of moneys held by the trust. The trust shall not receive deposits in any
82 form other than cash, except in the case of a rollover contribution
83 described in Section 402(c), 403(a)(4), 403(b)(8) or 457(e)(16) of the
84 Internal Revenue Code. Rollover contributions to the trust shall be
85 limited to plan participants who have contributed to the trust. No
86 depositor or designated beneficiary may direct the investment of any
87 contributions or amounts held in the trust other than the specific fund
88 options provided for by the trust.

89 (e) The assets of the trust shall be used for the purpose of
90 distributing individual retirement savings balances to the plan
91 participants and paying the operational, administrative and
92 investment costs of the trust.

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

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

100 (1) One appointed by the president pro tempore of the Senate, who
101 shall be an academic expert on retirement plan designs and who shall
102 serve an initial term of four years;

103 (2) One appointed by the speaker of the House of Representatives,
104 who shall represent an organization whose principle purpose is
105 advocacy for seniors and who shall serve an initial term of four years;

106 (3) One appointed by the majority leader of the Senate, who shall be

107 an organized labor representative and who shall serve an initial term
108 of four years;

109 (4) One appointed by the majority leader of the House of
110 Representatives, who shall be a representative of the business
111 community who manages employee retirement plan options and who
112 shall serve an initial term of four years;

113 (5) One appointed by the minority leader of the Senate, who shall be
114 an expert in designing retirement plan options for businesses and who
115 shall serve an initial term of three years;

116 (6) One appointed by the minority leader of the House of
117 Representatives, who shall be a representative of the business
118 community with expertise in consumer retirement planning and who
119 shall serve an initial term of three years;

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

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

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

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

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

128 (c) All appointments to the board shall be made not later than July
129 31, 2013. Following the expiration of their initial terms, subsequent
130 trustees appointed by members of the General Assembly shall serve
131 three-year terms. Any vacancy shall be filled by the appointing
132 authority not later than thirty calendar days after the office becomes
133 vacant. Any trustee previously appointed to the board may be
134 reappointed.

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

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

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

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

153 (h) The board shall be within the Retirement Division of the office of
154 the State Comptroller for administrative purposes only.

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

157 (1) Establish consistent terms for each individual retirement
158 account, including, but not limited to, (A) the method of payment into
159 the trust by payroll deduction, or rollover contribution described in
160 Section 402(c), 403(a)(4), 403(b)(8) or 457(e)(16) of the Internal Revenue
161 Code with the limitation described in subsection (d) of section 2 of this
162 act, transfer from bank accounts or otherwise, (B) the termination,
163 withdrawal or transfer of payments under the trust, including the
164 purchase of an annuity product upon retirement, (C) changing of the
165 identity of the designated beneficiary, (D) any charges or fees assessed

166 in connection with the administration of the plan, and (E) interest
167 allocated to individual retirement accounts for a given calendar year
168 based upon the performance of the trust;

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

173 (3) Adopt such regulations in accordance with the provisions of
174 chapter 54 of the general statutes as are necessary to carry out the
175 provisions of this section and may establish rules and regulations
176 which it deems necessary or desirable to facilitate the proper
177 administration of the trust. Rules and regulations established by the
178 board shall be binding upon all parties dealing with the board and all
179 persons claiming any benefits from the trust;

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

181 (5) Form working groups as necessary to solicit feedback from key
182 stakeholders on the design of the plan, advocate for changes in federal
183 retirement law to improve retirement security, assess the impact of the
184 plan on reducing public assistance costs for the elderly in the state and
185 determine if changes in federal or state tax law could help employees
186 in the state save for retirement; and

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

189 (j) In conducting the business of the trust, including its oversight
190 functions, the board shall act: (1) With the care, skill, prudence and
191 diligence under the circumstances then prevailing that a prudent
192 person acting in a like capacity and familiar with such matters would
193 use in the conduct of an enterprise of a like character and with like
194 aims; (2) in accordance with strict fiduciary standards and
195 responsibilities; and (3) in accordance with the provisions of the
196 general statutes.

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

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

206 (2) Each year the Treasurer shall publish and forward to the board a
207 consolidated report showing the fiscal transactions of the trust for the
208 preceding fiscal year, including gain or loss by category of security, a
209 reconciliation of assets showing the progression of the trust from one
210 year to the next, the amount of the accumulated cash and securities of
211 the system and the last balance sheet showing the financial condition
212 of the system by means of an actuarial valuation of its assets and
213 liabilities. Assets shall be shown at book and market value and by type
214 or term of investment, gain or loss shall be reported by category of
215 security type.

216 Sec. 4. (NEW) (*Effective July 1, 2013*) The public retirement plan shall
217 include design features prescribed by the Connecticut Retirement
218 Security Trust Fund Board. The board may amend such features from
219 time to time to serve the interests of eligible employees, plan
220 participants, qualified employers and other stakeholders. The plan
221 shall:

222 (1) Assure portability through maintenance of individual retirement
223 accounts for each plan participant. Each qualified employer
224 participating in the plan shall allow eligible employees to contribute to
225 the plan through a payroll deposit arrangement and through any other
226 means prescribed by the board;

227 (2) Transition to an inflation-indexed annuity with options for

228 spousal benefits and lump sum distribution upon the plan
229 participant's retirement;

230 (3) Offer a guaranteed interest rate to plan participants upon the
231 board analyzing expected rates of return on trust assets;

232 (4) Include a written quarterly report detailing: (A) The individual
233 retirement savings balance of such plan participant's individual
234 retirement account, (B) the estimated value of assets available upon
235 such plan participant's retirement, (C) an estimate of such plan
236 participant's expected monthly retirement income, and (D) the total
237 assets in the trust including an accounting of contributions by plan
238 participants and qualified employers and investment returns. This
239 information shall be made available through a secure Internet web site.
240 The report shall comply with all federal regulations regarding
241 reporting;

242 (5) Encourage plan participants to preserve retirement savings by
243 providing a written explanation of the consequences of failing to
244 rollover distributions from individual retirement accounts to another
245 eligible retirement plan. The contents of such an explanation shall meet
246 similar requirements to those set forth in Section 402(f) of the Internal
247 Revenue Code for qualified retirement plans;

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

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

254 (8) Ensure that all contributions to individual retirement accounts
255 are tax qualified under the Internal Revenue Code and the state tax
256 code.

257 Sec. 5. (NEW) (*Effective July 1, 2013*) The State Treasurer, on behalf of

258 the Connecticut Retirement Security Trust Fund and for purposes of
259 the trust, shall:

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

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

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

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

270 Sec. 6. (NEW) (*Effective July 1, 2013*) Notwithstanding the provisions
271 of sections 3-13 to 3-13h, inclusive, of the general statutes, the State
272 Treasurer shall invest the amounts on deposit in the trust in a manner
273 reasonable and appropriate to achieve the objectives of the trust,
274 exercising the discretion and care of a prudent person in similar
275 circumstances with similar objectives. The Treasurer shall give due
276 consideration to rate of return, risk, term or maturity, diversification of
277 the total portfolio within the trust, liquidity, the projected
278 disbursements and expenditures and the expected payments, deposits,
279 contributions and gifts to be received. The State Treasurer shall not
280 require the trust to invest directly in obligations of the state or any
281 political subdivision of the state or in any investment or other fund
282 administered by the Treasurer. The assets of the trust shall be
283 continuously invested and reinvested in a manner consistent with the
284 objectives of the trust until disbursed upon order of the board or
285 expended on expenses incurred by the operations of the trust.

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

289 (1) Design, establish and operate the plan to: (A) Increase access and
290 enrollment in quality retirement plans that provide an annuitized
291 benefit; (B) provide a guaranteed rate of return; (C) reduce the need for
292 public assistance through a system of prefunded retirement income;
293 (D) offer low administrative costs and streamlined enrollment; (E)
294 minimize the need for financial sophistication for plan participants;
295 and (F) ensure trust and transparency in the management of retirement
296 funds through oversight and ethics review of plan fiduciaries;

297 (2) Explore and establish investment options that offer plan
298 participants the conversion of individual retirement account balances
299 to secure retirement income without incurring debts or liabilities to the
300 state;

301 (3) Establish the process for plan participants to switch from the
302 default of lifetime annuity to lump-sum payout upon retirement;

303 (4) Disseminate educational information concerning saving and
304 planning for retirement;

305 (5) Disseminate information concerning the tax credits available to
306 small business owners for establishing new retirement plans and the
307 federal retirement savings contribution credit available to lower and
308 moderate income households for qualified savings contributions;

309 (6) Determine the eligibility of an employer, employee or any other
310 individual to participate in the plan;

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

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

317 (9) Evaluate and establish the process by which a qualified

318 employer shall contribute to a plan participant's individual retirement
319 account, provided: (A) The contribution shall be allowed under the
320 Internal Revenue Code, and (B) the contribution shall not cause the
321 plan to be treated as an employee benefit plan under the federal
322 Employee Retirement Income Security Act of 1974;

323 (10) Design and establish the process for the enrollment of eligible
324 employees in the plan and design and establish the process by which
325 an individual or employee eligible to participate in the plan under
326 subdivisions (3) to (5), inclusive, of subsection (c) of section 10 of this
327 act may enroll in and make contributions to the plan. This process shall
328 include, but not be limited to, the creation of an information packet
329 including the necessary paperwork for an eligible employee to enroll
330 in or opt-out of the plan;

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

333 (12) Establish and maintain a secure Internet web site that displays
334 all public notices issued by the board and such other information as
335 the board deems relevant pursuant to the education of the public
336 regarding the plan;

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

340 (14) Set maximum investment levels in accordance with
341 contribution limits set for individual retirement accounts by the
342 Internal Revenue Code.

343 Sec. 8. (NEW) (*Effective July 1, 2013*) (a) Before opening the plan for
344 enrollment the board shall:

345 (1) Establish and maintain a secure Internet web site to provide
346 qualified employers with information about employer-sponsored
347 retirement plans and payroll deduction individual retirement

348 accounts, and to assist qualified employers in identifying vendors of
349 retirement arrangements that may be set up by the qualified employers
350 in lieu of participation in the plan;

351 (2) Include the Internet web site address on any posting to the
352 Internet web site or in other materials offered to the public regarding
353 the program;

354 (3) Prior to implementing the Internet web site, and at least annually
355 thereafter, provide notice to vendors (A) that such Internet web site is
356 active, (B) that such vendors may register for inclusion on the Internet
357 web site, and (C) regarding the process for inclusion on the Internet
358 web site; and

359 (4) Establish an appeals process for vendors that are denied
360 registration or removed from the Internet web site pursuant to
361 subsection (d) of this section.

362 (b) Each vendor that registers to be listed on the Internet web site
363 shall provide: (1) A statement of such vendor's experience providing
364 employer-sponsored retirement plans and payroll deduction
365 individual retirement accounts in this state and in other states, if
366 applicable, (2) a description of the types of retirement investment
367 products offered by such vendor, and (3) a disclosure of all expenses
368 paid directly or indirectly by retirement plan participants, including,
369 but not limited to, penalties for early withdrawals, declining or fixed
370 withdrawal charges, surrender or deposit charges, management fees
371 and annual fees.

372 (c) The cost of establishing and maintaining the registration system
373 and the Internet web site shall be borne solely and equally by
374 registered vendors, based upon the total number of registered vendors.

375 (d) The board may remove a vendor from the Internet web site if the
376 vendor: (1) Submits materially inaccurate information to the board, (2)
377 does not remit assessed fees within sixty days from the date of
378 assessment, or (3) fails to submit to the board notice of any material

379 change to the vendor's registered investment products. Any vendor
380 found to have submitted materially inaccurate information to the
381 board shall be allowed sixty calendar days to correct the information.

382 Sec. 9. (NEW) (*Effective July 1, 2013*) (a) Not later than August 1,
383 2014, or ninety days following the date on which the conditions
384 required by sections 8 and 17 of this act have been met, whichever is
385 later, the Connecticut Retirement Security Trust Fund Board shall open
386 the public retirement plan to enrollment.

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

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

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

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

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

403 (f) All expenses, including employee costs, incurred to implement,
404 maintain, advertise and administer the plan shall be paid from moneys
405 collected by or for the trust.

406 Sec. 10. (NEW) (*Effective July 1, 2013*) (a) Not later than ninety
407 calendar days after the Connecticut Retirement Security Trust Fund

408 Board opens the plan for enrollment, qualified employers who do not
409 offer another retirement savings arrangement as described in
410 subdivision (1) of subsection (c) of this section shall offer eligible
411 employees a payroll deposit option to facilitate participation in the
412 plan.

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

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

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

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

428 (c) (1) A qualified employer shall retain the option at all times to set
429 up an employer-sponsored retirement plan, such as a defined benefit
430 plan, an employee retirement plan described in Section 401(k) of the
431 Internal Revenue Code, a simplified employee pension plan or a
432 savings incentive match plan for employees, or to offer an automatic
433 enrollment payroll deduction individual retirement account instead of
434 offering a payroll deposit retirement savings arrangement in the
435 Connecticut Retirement Security Trust Fund.

436 (2) If a qualified employer has offered its eligible employees a
437 payroll deposit retirement savings arrangement through the plan and
438 chooses to terminate such payroll deposit retirement savings

439 arrangement, such qualified employer shall notify each eligible
440 employee and plan participant, within a reasonable amount of time
441 and in a manner prescribed by the board, of such qualified employer's
442 decision to terminate such payroll deposit retirement savings
443 arrangement.

444 (3) Qualified employers that offer employees retirement savings
445 arrangements described in subdivision (1) of subsection (c) of this
446 section may elect to offer employees not eligible to participate in such
447 arrangements the opportunity to make payroll deposit contributions to
448 the trust.

449 (4) Any employer that does not satisfy the definition of a qualified
450 employer pursuant to subdivision (9) of section 1 of this act by virtue
451 of such employer employing fewer than five employees in the state,
452 inclusive of independent contractors, may choose to participate in the
453 plan.

454 (5) Any individual whose employer is not a qualified employer may
455 choose to participate in the plan on an individual basis. However, any
456 contributions made to the plan on behalf of such individual shall not
457 be made as a payroll deposit contribution through such individual's
458 employer's payroll system.

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

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

466 Sec. 11. (NEW) (*Effective July 1, 2013*) The Connecticut Retirement
467 Security Trust Fund Board, from time to time, shall consider the
468 opinions of eligible employees, plan participants, qualified employers
469 and other stakeholders in making modifications to the public

470 retirement plan by: (1) Holding public hearings to allow eligible
471 employees, plan participants, qualified employers and other
472 stakeholders to comment on the plan, including the default
473 contribution amounts, guaranteed interest rates and fees charged; (2)
474 surveying plan participants and qualified employers to assess their
475 experience with the plan; and (3) assessing the marketplace of
476 employer-sponsored retirement plan offerings to determine what is
477 otherwise available to employees and residents in the state.

478 Sec. 12. (NEW) (*Effective July 1, 2013*) (a) Qualified employers shall
479 not be liable for an eligible employee's decision to participate in or opt-
480 out of the public retirement plan, or for the investment performance of
481 assets deposited in the trust.

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

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

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

489 (c) A qualified employer's voluntary contribution made in
490 accordance with the process established under section 7 of this act may
491 not contradict the provisions of this section or change the qualified
492 employer's relationship to the plan or such qualified employer's
493 obligations to its eligible employees.

494 Sec. 13. (NEW) (*Effective July 1, 2013*) (a) The state shall not be liable
495 for the payment of the individual retirement account balance earned
496 by plan participants.

497 (b) Any financial liability for the payment of retirement account
498 balances in excess of funds available in the trust shall be borne by the
499 entities with whom the Treasurer contracts to provide insurance to

500 protect the value of the trust.

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

503 Sec. 14. (NEW) (*Effective July 1, 2013*) (a) No qualified employer
504 shall, without good cause, fail to allow an eligible employee to
505 participate in the plan. The Labor Commissioner shall administer this
506 section.

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

510 (c) Any eligible employee or plan participant aggrieved by a
511 violation of the provisions of sections 2 to 15, inclusive, of this act and
512 section 3-13c of the general statutes, as amended by this act, may file a
513 complaint with the Labor Commissioner. Upon receipt of any such
514 complaint, the commissioner may hold a hearing. After the hearing,
515 any qualified employer who is found by the commissioner, by a
516 preponderance of the evidence, to have violated the provisions of this
517 section shall be liable to the Labor Department for a civil penalty of six
518 hundred dollars for each eligible employee employed by the qualified
519 employer. Any party aggrieved by the decision of the commissioner
520 may appeal the decision to the Superior Court in accordance with the
521 provisions of chapter 54 of the general statutes.

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

524 Sec. 15. (NEW) (*Effective July 1, 2013*) (a) Each trustee of the
525 Connecticut Retirement Security Trust Fund Board shall file, with the
526 board and the Office of State Ethics, a statement of financial interests,
527 as described in section 1-83 of the general statutes. Such statement
528 shall be a public record.

529 (b) Not later than August 1, 2014, or ninety days following the date

530 on which the conditions required by sections 8 and 17 of this act have
531 been met, whichever is later, and annually thereafter, the board shall
532 submit to the General Assembly, in accordance with the provisions of
533 section 11-4a of the general statutes: (1) An annual audit, prepared in
534 accordance with generally accepted accounting principles by an
535 independent certified accountant, on the operations of the trust and
536 plan not later than January first of each year, following its first full year
537 of implementation, to the Governor, president pro tempore of the
538 Senate and the speaker of the House of Representatives; and (2) a
539 report prepared by the board, which shall include, but not be limited
540 to, a summary of the plan design and operation, the number of plan
541 participants and the average contribution of said plan participants, and
542 the rates of return and administrative costs as a percentage of total
543 assets of the plan.

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

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

557 Sec. 17. (NEW) (*Effective July 1, 2013*) (a) Prior to the implementation
558 of any plan, trust, administrative arrangement or investment offering
559 under the provisions of sections 2 to 15, inclusive, of this act and
560 section 3-13c of the general statutes, as amended by this act, the
561 Connecticut Retirement Security Trust Fund Board shall determine
562 that, based on the market feasibility study conducted in accordance

563 with section 16 of this act, the provisions of sections 2 to 15, inclusive,
 564 of this act and section 3-13c of the general statutes, as amended by this
 565 act, shall be self-sustaining, and funds are made available through a
 566 nonprofit or other private entity, federal funding, or appropriations by
 567 the General Assembly in amounts sufficient to allow the board to
 568 implement this act until the board has sufficient funds to be self-
 569 sustaining.

570 (b) Prior to the implementation of any plan, trust, administrative
 571 arrangement or investment offering under the provisions of sections 2
 572 to 15, inclusive, of this act and section 3-13c of the general statutes, as
 573 amended by this act, the arrangements for individual retirement
 574 accounts shall qualify for the favorable federal income tax treatment
 575 ordinarily accorded to individual retirement accounts under the
 576 Internal Revenue Code, and the public retirement plan shall be
 577 determined not to be an employee benefit plan under the federal
 578 Employee Retirement Income Security Act.

579 Sec. 18. Section 3-13c of the general statutes is repealed and the
 580 following is substituted in lieu thereof (*Effective from passage*):

581 Trust funds as used in sections 3-13 to 3-13e, inclusive, and 3-31b
 582 shall be construed to include Connecticut Municipal Employees'
 583 Retirement Fund A, Connecticut Municipal Employees' Retirement
 584 Fund B, Soldiers, Sailors and Marines Fund, the Connecticut
 585 Retirement Security Trust Fund, State's Attorneys' Retirement Fund,
 586 Teachers' Annuity Fund, Teachers' Pension Fund, Teachers'
 587 Survivorship and Dependency Fund, School Fund, State Employees
 588 Retirement Fund, the Hospital Insurance Fund, Policemen and
 589 Firemen Survivor's Benefit Fund and all other trust funds
 590 administered, held or invested by the Treasurer."

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2013	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>July 1, 2013</i>	New section
Sec. 16	<i>July 1, 2013</i>	New section
Sec. 17	<i>July 1, 2013</i>	New section
Sec. 18	<i>from passage</i>	3-13c