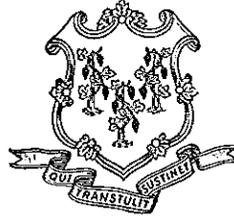


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**State of Connecticut**  
**SENATOR DONALD E. WILLIAMS, JR.**  
*Twenty-ninth District*  
**President Pro Tempore**  
**Testimony**

**In Support of**  
**SB 249, AA Promoting Retirement Savings**  
**SB 317, AAC Employee Privacy**

**Labor and Public Employees Committee**

**Tuesday, March 11, 2014**

Senator Holder-Winfield, Representative Tercyak, and the Members of the Labor and Public Employees Committee:

Thank you for considering **SB 249, AA Promoting Retirement Savings**, which would enable the Office of the State Treasurer to offer retirement plan options to small businesses, and **SB 317, AAC Employee Privacy** which would protect the online privacy of employees and applicants from employers.

**SB 249, AA Promoting Retirement Savings**

If enacted, Connecticut would become the second state in the nation, after California, to offer affordable individual retirement savings options to the private sector. If the legislature takes action now, we can help future retirees keep more of their retirement savings, and assist small and medium sized businesses compete with the lower-cost retirement plans provided by larger companies.

Employers offering a retirement plan fell from 68% in 2001 to 58% in 2012. One significant reason for this is that due to their size, small businesses often cannot achieve the economies of scale that make retirement plans such as 401(k)s or IRAs viable savings options for their employees. The fees associated with such plans have a disproportionate impact on employees who work for small businesses. The result is that the majority of these employees do not have access to retirement savings plans. Upon retirement they find themselves with limited resources, often relying upon social security and having difficulty making ends meet.

This proposal will allow for private sector employee assets to be pooled and professionally managed in a Trust Fund administered by the State Treasurer. This proposal is not a guaranteed state pension, but rather a "Public Retirement Plan" in which employees who work for employers that do not offer a retirement plan participate through payroll deduction. Employee

assets would be deposited into the Trust and the Trust Fund Board will annually set a guaranteed rate-of-return and charge administrative fees. This will result in lower administrative costs and fees, allowing employees to keep a much greater share of their retirement savings.

In addition to making sound fiscal sense, this proposal makes good business sense. It will provide our small businesses with an advantage in attracting and retaining skilled workers—by removing administrative burdens and providing employees of small businesses with access to the same type of low-fee 401(k) plans that large corporations provide for their employees.

### **SB 317, AAC Employee Privacy**

With the proliferation of social media, including sites like Facebook, some employers are trying to learn about their current and potential employees through online profiles. It is fairly common for employers to review applicants' public Facebook profiles and twitter accounts. However, many people utilize the privacy functions on social networking sites to make their profiles visible only to select people and groups. Some employers wish to intrude on applicants' and employees' privacy, by gaining access to these profiles with the belief that it will enhance their knowledge of job applicants and employees. They may demand that applicants and employees hand over their private login information for personal accounts or that they login to sites during a job interview as a requirement of employment. Even if applicants technically have a right to refuse, imagine the scenario of a young person interviewing for a first job or an unemployed person desperate for a job – it is unlikely that applicants in this tough economy will refuse for fear of being denied the position and not finding another job. An employee or a job applicant is in a position of vulnerability and therefore can be easily coerced.

This bill would prohibit an employer from requesting or requiring an employee or job applicant to provide the employer with his or her password or other access to personal on-line accounts. It also bans an employer from demanding that a person login to an account in the employer's presence. An employer would be prohibited from firing, disciplining, or otherwise penalizing or retaliating against an employee or applicant who refuses to provide this information or who files a complaint against an employer who makes such a demand or request.

Last year this committee raised a similar bill that passed the Senate and was not taken up in the House. This version of the bill strikes the right balance between protecting privacy and protecting employers' proprietary information. Thank you.