



General Assembly

February Session, 2016

***Raised Bill No. 5591***

LCO No. 2679



Referred to Committee on LABOR AND PUBLIC EMPLOYEES

Introduced by:  
(LAB)

***AN ACT CREATING THE CONNECTICUT RETIREMENT SECURITY PROGRAM.***

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

1 Section 1. (NEW) (*Effective from passage*) As used in this section and  
2 sections 2 to 12, inclusive, of this act:

3 (1) "Authority" means the Connecticut Retirement Security  
4 Authority established pursuant to section 2 of this act;

5 (2) "Board" means the Connecticut Retirement Security Authority  
6 board of directors established pursuant to section 2 of this act;

7 (3) "Contribution level" means (A) the contribution rate selected by  
8 the participant that may be expressed as (i) a percentage of the  
9 participant's taxable wages, as defined in section 31-222 of the general  
10 statutes, or (ii) a dollar amount up to the maximum deductible amount  
11 for the participant's taxable year under Section 219(b)(1) of the Internal  
12 Revenue Code of 1986, or any subsequent corresponding internal  
13 revenue code of the United States, as amended from time to time; or

14 (B) in the absence of an affirmative election by the participant, six per  
15 cent of the participant's taxable wages as is required to be reported  
16 under Sections 6041 and 6051 of the Internal Revenue Code of 1986, or  
17 any subsequent corresponding internal revenue code of the United  
18 States, as amended from time to time, or such other amount as  
19 determined by the authority;

20 (4) "Covered employee" means an individual (A) who has been  
21 employed by a qualified employer for a period of not less than one  
22 hundred twenty days, (B) who is nineteen years of age or older, and  
23 (C) whose service or employment is not excluded under the provisions  
24 of subdivision (5) of subsection (a) of section 31-222 of the general  
25 statutes;

26 (5) "Participant" means any individual participating in the program;

27 (6) "Program" means the Connecticut Retirement Security Program  
28 established pursuant to section 3 of this act;

29 (7) "Qualified employer" means any person, corporation, limited  
30 liability company, firm, partnership, voluntary association, joint stock  
31 association or other entity, whether for profit or not for profit, that  
32 employed five or more persons in the state and has paid each such  
33 person not less than five thousand dollars in the preceding calendar  
34 year. "Qualified employer" does not include: (A) The federal  
35 government, (B) the state or any political subdivision thereof, (C) any  
36 municipality, unit of a municipality or municipal housing authority,  
37 (D) an employer employing an individual whose service is excluded  
38 under subdivision (5) of subsection (a) of section 31-222 of the general  
39 statutes, or (E) an employer that was not in existence at all times  
40 during the current calendar year and the preceding calendar year;

41 (8) "Individual retirement account" means a Roth IRA or a  
42 traditional IRA, as the case may be;

43 (9) "Roth IRA" means an account described in Section 408A of the

44 Internal Revenue Code of 1986, or any subsequent corresponding  
45 internal revenue code of the United States, as amended from time to  
46 time;

47 (10) "Traditional IRA" means an account described in Section 408 of  
48 the Internal Revenue Code of 1986, or any subsequent corresponding  
49 internal revenue code of the United States, as amended from time to  
50 time; and

51 (11) "Normal retirement age" means sixty-five years of age or an  
52 earlier age as is chosen by the participant, except that in no case can  
53 the age be earlier than the age specified in Section 216(l)(1) of the Social  
54 Security Act, 42 USC 416(l)(1), as amended from time to time.

55 Sec. 2. (NEW) (*Effective from passage*) (a) There is hereby established  
56 and created a body politic and corporate, constituting a public  
57 instrumentality and political subdivision of the state of Connecticut  
58 established and created for the performance of an essential public and  
59 governmental function, to be known as the Connecticut Retirement  
60 Security Authority. The authority shall not be construed to be a  
61 department, institution or agency of the state.

62 (b) The powers of the authority shall be vested in and exercised by a  
63 board of directors, which shall consist of nine voting members, each a  
64 resident of state, (1) the State Treasurer who shall serve as an ex officio  
65 voting member; (2) the State Comptroller who shall serve as an ex  
66 officio voting member; (3) one appointed by the speaker of the House  
67 of Representatives who shall serve an initial term of four years; (4) one  
68 appointed by the majority leader of the House of Representatives who  
69 shall serve an initial term of four years; (5) one appointed by the  
70 minority leader of the House of Representatives, who shall serve an  
71 initial term of four years; (6) one appointed by the president pro  
72 tempore of the Senate, who shall serve an initial term of four years; (7)  
73 one appointed by the majority leader of the Senate, who shall serve an  
74 initial term of four years; (8) one appointed by the minority leader of

75 the Senate, who shall serve an initial term of four years; and (9) one  
76 appointed by the Governor, who shall serve an initial term of four  
77 years. Thereafter, said members of the General Assembly and the  
78 Governor shall appoint members of the board to succeed such  
79 appointees whose terms expire and each member so appointed shall  
80 hold office for a term of six years from July first in the year of his or her  
81 appointment. Appointed members shall include: (A) An individual  
82 with a favorable reputation for skill, knowledge and experience in the  
83 interests of employees in retirement savings; (B) an individual with a  
84 favorable reputation for skill, knowledge and experience in the  
85 interests of employers in retirement savings; and (C) an individual  
86 having a favorable reputation for skill, knowledge and experience in  
87 offering retirement savings products or advice. Each ex-officio member  
88 may designate such member's deputy or any member of such  
89 member's staff to represent such member at meetings of the board with  
90 full power to act and vote on such member's behalf.

91 (c) All appointments to the board shall be made not later than July  
92 31, 2016. Any vacancy shall be filled by the appointing authority not  
93 later than thirty calendar days after the office becomes vacant. Any  
94 member previously appointed to the board may be reappointed.

95 (d) The Governor, with the advice and consent of both houses of the  
96 General Assembly, shall select a chairperson of the board from among  
97 the members of the board. The board shall annually elect a vice-  
98 chairperson and such other officers as it deems necessary from among  
99 its members. The board may appoint an executive director and  
100 assistant executive director, who shall not be members of the board  
101 and who shall serve at the pleasure of the board. The executive  
102 director and assistant executive director shall be employees of the  
103 authority and shall receive such compensation as prescribed by the  
104 board.

105 (e) The members of the board shall serve without compensation but  
106 shall, within available appropriations, be reimbursed in accordance

107 with the standard travel regulations for all necessary expenses that  
108 they may incur through service on the board.

109 (f) (1) Each member of the board shall, not later than ten calendar  
110 days after his or her appointment, take and subscribe the oath of  
111 affirmation required by article XI, section 1, of the State Constitution.  
112 Each member's term shall begin from the date the member takes such  
113 an oath. The oath shall be administered by the Secretary of the State  
114 and shall be filed in the office of the Secretary of the State.

115 (2) Each member of the board authorized by resolution of the board  
116 to handle funds or sign checks for the program, and any other  
117 authorized officer, shall, not later than ten calendar days after the date  
118 the board adopts such authorizing resolution, execute a surety bond in  
119 the penal sum of fifty thousand dollars or, in lieu thereof, the  
120 chairperson shall obtain a blanket position bond covering the executive  
121 director and every member of the board and other employee or  
122 authorized officer of the authority in the penal sum of fifty thousand  
123 dollars. Each such bond shall be conditioned upon the faithful  
124 performance of the duties of the chairperson or the members, executive  
125 director and other authorized officers or employees, as the case may  
126 be, shall be executed by a surety company authorized to transact  
127 business in the state as surety, and shall be filed in the office of the  
128 Secretary of the State. The cost of each such bond shall be paid by the  
129 authority.

130 (g) An authorized officer or the executive director, if one is  
131 appointed by the board pursuant to subsection (d) of this section, shall  
132 supervise the administrative affairs and technical activities of the  
133 program in accordance with the directives of the board. Such  
134 authorized officer or executive director, as the case may be, shall keep  
135 a record of the proceedings of the program and shall be custodian of  
136 all books, documents and papers filed with the program, the minute  
137 book or journal of the program and its official seal. Such authorized  
138 officer or executive director, as the case may be, may cause copies to be

139 made of all minutes and other records and documents of the program  
140 and may give certificates under the official seal of the program to the  
141 effect that such copies are true copies, and all persons dealing with the  
142 program may rely upon such certificates.

143 (h) Four members of the board shall constitute a quorum for the  
144 transaction of any business or the exercise of any power of the  
145 authority. Each member shall be entitled to one vote on the board.

146 (i) (1) No member of the board or any officer, agent or employee of  
147 the authority shall, directly or indirectly, have any financial interest in  
148 any corporation, business trust, estate, trust, partnership or  
149 association, two or more persons having a joint or common interest, or  
150 any other legal or commercial entity contracting with the authority.  
151 Any individual who violates the provisions of this subsection shall be  
152 fined not less than fifty dollars nor more than one thousand dollars or  
153 imprisoned not more than thirty days, or both.

154 (2) Notwithstanding the provisions of subdivision (1) of this  
155 subsection or any other section of the general statutes, it shall not be a  
156 conflict of interest or a violation of the provisions of said subdivision  
157 or any other section of the general statutes, for a trustee, director,  
158 officer or employee of a bank, investment advisor, investment  
159 company or investment banking firm, or a person having the required  
160 favorable reputation for skill, knowledge and experience in retirement  
161 savings, to serve as a member of the board, provided, in each case to  
162 which the provisions of this subdivision are applicable, such trustee,  
163 director, officer or employee of such a firm abstains from discussion,  
164 deliberation, action and vote by the board in specific respect to any  
165 undertaking pursuant to this section or sections 3 to 11, inclusive, of  
166 this act in which such firm has a direct interest separate from the  
167 interests of all similar firms generally.

168 (j) The board, on behalf of the authority, and for the purpose of  
169 implementing the Connecticut Retirement Security Program

170 established pursuant to section 3 of this act, shall adopt written  
171 procedures in accordance with the provisions of section 1-121 of the  
172 general statutes for the purposes of:

173 (1) Adopting an annual budget and plan of operations, including a  
174 requirement of board approval before such budget or plan may take  
175 effect;

176 (2) Hiring, dismissing, promoting and compensating employees of  
177 the authority, instituting an affirmative action policy and requiring  
178 board approval before a position may be created or a vacancy filled;

179 (3) Acquiring real and personal property and personal services,  
180 including requiring board approval for any nonbudgeted expenditure  
181 in excess of five thousand dollars;

182 (4) Contracting for financial, legal, and other professional services,  
183 and requiring that the authority solicit proposals not less than every  
184 three years for each such service used by the board or authority, except  
185 for any firm that contracts to provide custodial, recordkeeping or other  
186 services for the provision of an individual retirement account, such  
187 solicitation shall be not less than every ten years; and

188 (5) Using surplus funds to the extent authorized under this act or  
189 other provisions of the general statutes.

190 (k) The authority shall continue as long as the program remains in  
191 effect and until its existence is terminated by law. Upon termination of  
192 the existence of the authority, all its rights and properties shall pass to  
193 and be vested in the state of Connecticut.

194 (l) The provisions of this section and section 1-125 of the general  
195 statutes, as amended by this act, shall apply to any member, director or  
196 employee of the authority. No person shall be subject to civil liability  
197 for the debts, obligations or liabilities of the authority as provided in  
198 this section and section 1-125 of the general statutes, as amended by

199 this act.

200 Sec. 3. (NEW) (*Effective from passage*) (a) There is established the  
201 Connecticut Retirement Security Program the purpose of which shall  
202 be to promote and enhance retirement savings for private sector  
203 employees in the state. The board of directors of the Connecticut  
204 Retirement Security Authority may:

205 (1) Adopt bylaws for the regulation of the affairs of the board and  
206 the conduct of its business;

207 (2) Adopt an official seal and alter the same at the pleasure of the  
208 board;

209 (3) Maintain an office at such place or places in the state as the board  
210 may designate;

211 (4) Sue and be sued in its own name;

212 (5) Establish criteria and guidelines for the retirement programs to  
213 be offered pursuant to this section and sections 4 to 11 of this act;

214 (6) Receive and invest moneys in the program in any instruments,  
215 obligations, securities or property in accordance with section 8 of this  
216 act;

217 (7) Contract with financial institutions or other organizations  
218 offering or servicing retirement programs. The authority may require  
219 that each participant be charged a fee to defray the costs of the  
220 program. The amount and method of collection of such fee shall be  
221 determined by the authority;

222 (8) Employ attorneys, accountants, consultants, financial experts,  
223 loan processors, banks, managers and such other employees and  
224 agents as may be necessary in the board's judgment, and to fix the  
225 compensation of such individuals;



226 (9) Charge and equitably apportion among participants the  
227 administrative costs and expenses incurred in the exercise of the  
228 board's powers and duties as granted by this section;

229 (10) Borrow working capital funds and other funds as may be  
230 necessary for the start-up and continuing operation of the program, as  
231 long as such funds are borrowed in the name of the authority only.  
232 Such borrowings shall be payable solely from revenues of the  
233 authority;

234 (11) Make and enter into contracts or agreements with professional  
235 service providers, including, but not limited to, financial consultants  
236 and lawyers, as may be necessary or incidental to the performance of  
237 the board's duties and the execution of its powers under this section;

238 (12) Establish policies and procedures for the protection of program  
239 participants' personal and confidential information; and

240 (13) Enter into memoranda of understanding with the Labor  
241 Department and other state agencies regarding (A) the gathering or  
242 dissemination of information necessary for the operations of the  
243 program, subject to such obligations of confidentiality as may be  
244 agreed or required by law, (B) the sharing of costs incurred pursuant  
245 to the gathering and dissemination of such information, and (C) the  
246 reasonable sharing of costs for any enforcement activities conducted  
247 pursuant to section 10 of this act.

248 Sec. 4. (NEW) (*Effective from passage*) (a) The Connecticut Retirement  
249 Security Authority board of directors shall prepare informational  
250 materials regarding the Connecticut Retirement Security Program for  
251 distribution by qualified employers to plan participants and  
252 prospective plan participants pursuant to section 7 of this act. Such  
253 informational materials shall include, but not be limited to:

254 (1) The benefits and risks associated with making contributions to or  
255 making withdrawals from the program;

256 (2) The process for making contributions to the program, including  
257 a contribution election form;

258 (3) Clear and conspicuous notice regarding the default contribution  
259 level;

260 (4) The process by which a participant may opt out of the program  
261 by electing a contribution level of zero;

262 (5) The process for withdrawing retirement savings from the  
263 program, including an explanation of how the tax treatment of  
264 withdrawals may differ between a Roth IRA and a traditional IRA  
265 available under the program;

266 (6) The process by which a participant may obtain additional  
267 information on the program, including information regarding  
268 investment options available under the program; and

269 (7) Such other information as the board may determine is necessary  
270 or advisable to provide to participants, potential participants and  
271 qualified employers in the state.

272 (b) Not less than quarterly, the board shall provide a statement to  
273 each participant that shall include, but need not be limited to, the  
274 following information:

275 (1) The account balance in a participant's individual retirement  
276 account, including the value of the participant's investment in each  
277 investment option selected by the participant;

278 (2) The various investment options available to each participant and  
279 the process by which a participant may select investment options for  
280 his or her contributions in accordance with subsection (b) of section 31-  
281 71j of the general statutes, as amended by this act, or as prescribed by  
282 the authority;

283 (3) The amount of fees charged to each participant's individual

284 retirement account and a description of the services to which such  
285 charges relate; and

286 (4) At the election of the board, an estimate of the amount of income  
287 the account is projected to generate for a participant's retirement based  
288 on reasonable assumptions.

289 (c) Not less than annually, the board shall provide each participant  
290 with notification regarding fees that may be imposed through the  
291 program and information regarding the various investment options  
292 that may be available to participants. The board may provide such  
293 notification and information in the form of a prospectus or similar  
294 document.

295 (d) The board, on behalf of the authority, may adopt policies and  
296 procedures in accordance with the provisions of section 1-121 of the  
297 general statutes for the electronic dissemination of any notices or  
298 information required to be provided to participants, potential  
299 participants and qualified employers pursuant to the provisions of this  
300 section.

301 Sec. 5. (NEW) (*Effective from passage*) (a) The Connecticut Retirement  
302 Security Program shall provide for the establishment and maintenance  
303 of an individual retirement account for each program participant. Such  
304 individual retirement account shall be established and maintained  
305 through the program or a third-party entity in the business of  
306 establishing and maintaining individual retirement accounts. Program  
307 assets shall be held in trust or custodial accounts meeting the  
308 requirements of Section 408(a) or (c) of the Internal Revenue Code of  
309 1986, or any subsequent corresponding internal revenue code of the  
310 United States, as amended from time to time, or any other applicable  
311 federal law requirements. Each participant shall have the right to elect  
312 whether to contribute to a traditional IRA or a Roth IRA. In the  
313 absence of a participant's affirmative election, a traditional IRA shall be  
314 established for the participant.

315 (b) Interest, investment earnings and investment losses shall be  
316 allocated to each participant's individual retirement account. A  
317 participant's benefit under the program shall be equal to the balance in  
318 such participant's individual retirement account as of any applicable  
319 measurement date prescribed by the program.

320 (c) The Connecticut Retirement Security Authority shall establish, or  
321 cause to be established, processes to prevent a participant's  
322 contributions to the program from exceeding the maximum amount of  
323 deduction under 26 USC 219(b)(1) for the participant's tax year.

324 (d) The state shall not be liable for the payment of any benefit to any  
325 participant or beneficiary of any participant. The authority shall not be  
326 liable for the payment of any benefit to any participant or beneficiary  
327 of any participant, except with respect to any individual retirement  
328 accounts established and maintained by the authority.

329 Sec. 6. (NEW) (*Effective from passage*) (a) The Connecticut Retirement  
330 Security Authority board of directors, in conducting the business of the  
331 authority, including its oversight functions, shall act: (1) With the care,  
332 skill, prudence and diligence under the circumstances then prevailing  
333 that a prudent person acting in a like capacity and familiar with such  
334 matters would use in the conduct of an enterprise of like character and  
335 with like aims; (2) solely in the interests of the program's participants  
336 and beneficiaries; (3) for the purposes of providing benefits to  
337 participants and beneficiaries and defraying reasonable expenses of  
338 administering the program; and (4) in accordance with the provisions  
339 of sections 2 to 11, inclusive, of this act and any other applicable  
340 sections of the general statutes.

341 (b) The board shall, to the extent reasonable and practicable, require  
342 any agents engaged or appointed by the authority to abide by the  
343 standard of care described in subsection (a) of this section.

344 Sec. 7. (NEW) (*Effective from passage*) (a) (1) Not later than July 1,  
345 2017, and annually thereafter, each qualified employer shall provide

346 each of its covered employees with the informational materials  
347 prepared by the Connecticut Retirement Security Authority board of  
348 directors pursuant to section 4 of this act. For any employee of a  
349 qualified employer who (A) is hired on or after July 1, 2017, or (B) does  
350 not meet the definition of covered employee pursuant to section 1 of  
351 this act, such qualified employer shall provide such informational  
352 materials to such employee not later than thirty days, or such other  
353 time period as prescribed by the authority, after (i) the date of such  
354 employee's hiring, or (ii) the date such employee meets the definition  
355 of covered employee pursuant to section 1 of this act.

356 (2) Not later than sixty days after a qualified employer provides  
357 informational materials to a covered employee in accordance with  
358 subsection (a) of this section, or such other time period as prescribed  
359 by the authority, and subject to the provisions of subdivision (3) of this  
360 subsection, such qualified employer shall automatically enroll each of  
361 its covered employees in the program at the participant's contribution  
362 level in accordance with the provisions of section 31-71j of the general  
363 statutes, as amended by this act.

364 (3) A covered employee may opt out of the program by electing a  
365 contribution level of zero.

366 (4) (A) Except as provided in subparagraph (B) of this subdivision, a  
367 qualified employer that (i) maintains a retirement plan or retirement  
368 arrangement described under Section 219(g)(5) of the Internal Revenue  
369 Code of 1986, or any subsequent corresponding internal revenue code  
370 of the United States, as amended from time to time, or (ii) any other  
371 retirement arrangement approved by the authority, shall be exempt  
372 from the requirements of subdivisions (1) and (2) of this subsection.

373 (B) Notwithstanding the provisions of subparagraph (A) of this  
374 subdivision, a qualified employer shall not be exempt from the  
375 requirements of subdivisions (1) and (2) if such qualified employer  
376 employs any covered employee who (i) (I) is not offered a retirement

377 plan or retirement arrangement described in said Section 219(g)(5) or  
378 any other retirement arrangement approved by the authority, and (II)  
379 is reasonably expected to complete at least one thousand hours of  
380 service for such qualified employer in the current calendar year; or (ii)  
381 (I) is not offered a retirement plan or retirement arrangement described  
382 in said Section 219(g)(5) or any other retirement arrangement  
383 approved by the authority, and (II) has completed at least five hundred  
384 hours of service for the qualified employer in two consecutive calendar  
385 years.

386 (C) For the purposes of determining whether a qualified employer  
387 maintains a retirement plan or retirement arrangement described  
388 under said Section 219(g)(5) or any other retirement arrangement  
389 approved by the authority pursuant to subparagraph (A) of this  
390 subdivision, the authority shall determine whether (i) as of the first  
391 day of the previous calendar year, any participant was enrolled in a  
392 retirement plan or retirement arrangement maintained by such  
393 qualified employer, and (ii) as of the first day of the previous calendar  
394 year, any contributions were made to such retirement plan or  
395 retirement arrangement by or on behalf of a participant.

396 (5) The authority may defer the effective date of the program, in  
397 whole or in part, and for particular categories of employers, as the  
398 authority deems necessary to effectuate the purposes of sections 2 to  
399 11, inclusive, of this act in a manner that minimizes the disruption and  
400 burdens that may exist for any qualified employer.

401 (b) An employer that does not otherwise meet the definition of a  
402 qualified employer may make the program available to its employees  
403 subject to such rules and procedures as may be prescribed by the  
404 authority and in accordance with the provisions of subsection (a) of  
405 this section, except no such employer shall require any employee to  
406 enroll in the program.

407 (c) Any individual who is not enrolled in the program pursuant to

408 subsection (a) of this section may participate in the program at any  
409 time subject to such rules and procedures as the authority may  
410 prescribe. The authority shall provide the informational materials  
411 described in subdivision (1) of subsection (a) of this section to any such  
412 individual at or before the time of such individual's enrollment in the  
413 program.

414 (d) To the extent permitted under the Internal Revenue Code of  
415 1986, or any subsequent corresponding internal revenue code of the  
416 United States, as amended from time to time, the authority shall allow  
417 any individual to establish or contribute to an individual retirement  
418 account maintained for such individual under the program by rolling  
419 over funds from an existing retirement savings account of the  
420 individual.

421 (e) A qualified employer that withholds a contribution from a  
422 covered employee's compensation in connection with the program  
423 shall transmit such contribution on the earliest date the amount  
424 withheld from the covered employee's compensation can reasonably  
425 be segregated from the qualified employer's assets, but not later than  
426 the fifteenth business day of the month following the month in which  
427 the covered employee's contribution amounts are withheld from his or  
428 her paycheck.

429 Sec. 8. (NEW) (*Effective from passage*) The Connecticut Retirement  
430 Security Authority shall provide for each participant's account to be  
431 invested in (1) an age-appropriate target date fund, except as provided  
432 in subsection (b) of section 9 of this act, or (2) such other investment  
433 vehicles as the authority may prescribe.

434 Sec. 9. (NEW) (*Effective from passage*) (a) The Connecticut Retirement  
435 Security Authority shall establish rules and procedures governing the  
436 distribution of funds from the program. Such rules and procedures  
437 shall allow for such distributions as may be permitted or required by  
438 the program and any applicable provisions of the Internal Revenue

439 Code of 1986, or any subsequent corresponding internal revenue code  
440 of the United States, as amended from time to time.

441 (b) The program shall include the following design features  
442 prescribed by the authority, provided such features are determined to  
443 be feasible and cost effective:

444 (1) Designate a lifetime income investment for the program  
445 intended to provide participants with a source of retirement income  
446 for life;

447 (2) Provide to each participant, one year in advance of the  
448 participant's normal retirement age, a disclosure explaining (A) the  
449 rights and features of the lifetime income investment; (B) that once the  
450 participant reaches normal retirement age, fifty per cent of the  
451 participant's account will be invested in the lifetime income  
452 investment; and (C) that the participant may elect to invest a higher  
453 percentage of his or her account balance in the lifetime income option;

454 (3) On the date a participant reaches his or her normal retirement  
455 age, invest fifty per cent of the participant's account balance, or such  
456 higher amount as specified by the participant, in the lifetime income  
457 investment;

458 (4) Permit each participant to elect a date not earlier than his or her  
459 normal retirement age on which to begin receiving distributions,  
460 provided, in the absence of an election, such distributions shall  
461 commence not later than ninety days after the participant reaches his  
462 or her normal retirement age; and

463 (5) Establish procedures whereby each participant may elect to  
464 invest a higher percentage of his or her account balance in the lifetime  
465 income investment.

466 Sec. 10. (NEW) (*Effective from passage*) (a) The Attorney General may  
467 investigate any violation of section 6 of this act. If the Attorney General



468 finds that any member of the Connecticut Retirement Security  
469 Authority board of directors, or any agents engaged or appointed by  
470 the board or the authority has violated or is violating any provision of  
471 said section, the Attorney General may bring a civil action in the  
472 superior court for the judicial district of Hartford under this section in  
473 the name of the state against such contractor. The remedies available to  
474 a court shall be limited to injunctive relief. Nothing in this section shall  
475 be construed to create a private right of action.

476 (b) If a qualified employer fails to remit contributions to the  
477 program in the time period specified in subsection (e) of section 7 of  
478 this act, such failure to remit such contributions shall be a violation of  
479 section 31-71e of the general statutes, as amended by this act.

480 (c) If a qualified employer fails to enroll a covered employee as  
481 required under subsection (a) of section 7 of this act, such covered  
482 employee, or the Labor Commissioner, may bring a civil action to  
483 require the qualified employer to enroll the covered employee and  
484 shall recover such costs and reasonable attorney's fees as may be  
485 allowed by the court.

486 Sec. 11. (NEW) (*Effective from passage*) (a) The Connecticut  
487 Retirement Security Authority shall keep an accurate account of all its  
488 activities, receipts and expenditures and shall submit, in accordance  
489 with the provisions of section 11-4a of the general statutes, a report  
490 detailing such activities, receipts and expenditures to the Connecticut  
491 Retirement Security Authority board of directors, the Governor, the  
492 Office of Auditors of Public Accounts and the joint standing  
493 committees of the General Assembly having cognizance of matters  
494 relating to labor and finance, revenue and bonding on or before  
495 December thirty-first annually. Such report shall be in a form  
496 prescribed by the board and shall include projected activities of the  
497 authority for the next fiscal year and shall be subject to approval by the  
498 Auditors of Public Accounts.

499 (b) The Auditors of Public Accounts may conduct a full audit of the  
500 books and accounts of the authority pertaining to such activities,  
501 receipts and expenditures, personnel, services or facilities, in  
502 accordance with the provisions of section 2-90 of the general statutes.  
503 For the purposes of such audit, the Auditors of Public Accounts shall  
504 have access to the properties and records of the authority, and may  
505 prescribe methods of accounting and the rendering of periodical  
506 reports in relation to projects undertaken by the authority.

507 (c) The authority shall enter into memoranda of understanding with  
508 the State Comptroller pursuant to which the authority shall provide, in  
509 such form and manner as prescribed by the State Comptroller,  
510 information that may include, but need not be limited to, the current  
511 revenues and expenses of the authority, the sources or recipients of  
512 such revenues or expenses, the date such revenues or expenses were  
513 received or dispersed and the amount and the category of such  
514 revenues or expenses.

515 Sec. 12. (*Effective from passage*) The Connecticut Retirement Security  
516 Authority may study the feasibility of the state or the authority making  
517 available to employers a multiple-employer 401(k) plan or other tax-  
518 favored retirement savings vehicle.

519 Sec. 13. Subdivision (12) of section 1-79 of the 2016 supplement to  
520 the general statutes is repealed and the following is substituted in lieu  
521 thereof (*Effective July 1, 2016*):

522 (12) "Quasi-public agency" means Connecticut Innovations,  
523 Incorporated, the Connecticut Health and Education Facilities  
524 Authority, the Connecticut Higher Education Supplemental Loan  
525 Authority, the Connecticut Student Loan Foundation, the Connecticut  
526 Housing Finance Authority, the State Housing Authority, the Materials  
527 Innovation and Recycling Authority, the Capital Region Development  
528 Authority, the Connecticut Lottery Corporation, the Connecticut  
529 Airport Authority, the Connecticut Health Insurance Exchange, the

530 Connecticut Green Bank, the Connecticut Retirement Security  
531 Authority, the Connecticut Port Authority and the State Education  
532 Resource Center.

533 Sec. 14. Subdivision (1) of section 1-120 of the 2016 supplement to  
534 the general statutes is repealed and the following is substituted in lieu  
535 thereof (*Effective July 1, 2016*):

536 (1) "Quasi-public agency" means Connecticut Innovations,  
537 Incorporated, the Connecticut Health and Educational Facilities  
538 Authority, the Connecticut Higher Education Supplemental Loan  
539 Authority, the Connecticut Student Loan Foundation, the Connecticut  
540 Housing Finance Authority, the Connecticut Housing Authority, the  
541 Materials Innovation and Recycling Authority, the Capital Region  
542 Development Authority, the Connecticut Lottery Corporation, the  
543 Connecticut Airport Authority, the Connecticut Health Insurance  
544 Exchange, the Connecticut Green Bank, the Connecticut Retirement  
545 Security Authority, the Connecticut Port Authority and the State  
546 Education Resource Center.

547 Sec. 15. Section 1-124 of the 2016 supplement to the general statutes  
548 is repealed and the following is substituted in lieu thereof (*Effective July*  
549 *1, 2016*):

550 (a) Connecticut Innovations, Incorporated, the Connecticut Health  
551 and Educational Facilities Authority, the Connecticut Higher  
552 Education Supplemental Loan Authority, the Connecticut Student  
553 Loan Foundation, the Connecticut Housing Finance Authority, the  
554 Connecticut Housing Authority, the Materials Innovation and  
555 Recycling Authority, the Connecticut Airport Authority, the Capital  
556 Region Development Authority, the Connecticut Health Insurance  
557 Exchange, the Connecticut Green Bank, the Connecticut Retirement  
558 Security Authority, the Connecticut Port Authority and the State  
559 Education Resource Center shall not borrow any money or issue any  
560 bonds or notes which are guaranteed by the state of Connecticut or for

561 which there is a capital reserve fund of any kind which is in any way  
562 contributed to or guaranteed by the state of Connecticut until and  
563 unless such borrowing or issuance is approved by the State Treasurer  
564 or the Deputy State Treasurer appointed pursuant to section 3-12. The  
565 approval of the State Treasurer or said deputy shall be based on  
566 documentation provided by the authority that it has sufficient  
567 revenues to (1) pay the principal of and interest on the bonds and notes  
568 issued, (2) establish, increase and maintain any reserves deemed by the  
569 authority to be advisable to secure the payment of the principal of and  
570 interest on such bonds and notes, (3) pay the cost of maintaining,  
571 servicing and properly insuring the purpose for which the proceeds of  
572 the bonds and notes have been issued, if applicable, and (4) pay such  
573 other costs as may be required.

574 (b) To the extent Connecticut Innovations, Incorporated, the  
575 Connecticut Higher Education Supplemental Loan Authority, the  
576 Connecticut Student Loan Foundation, the Connecticut Housing  
577 Finance Authority, the Connecticut Housing Authority, the Materials  
578 Innovation and Recycling Authority, the Connecticut Health and  
579 Educational Facilities Authority, the Connecticut Airport Authority,  
580 the Capital Region Development Authority, the Connecticut Health  
581 Insurance Exchange, the Connecticut Green Bank, the Connecticut  
582 Retirement Security Authority, the Connecticut Port Authority or the  
583 State Education Resource Center is permitted by statute and  
584 determines to exercise any power to moderate interest rate fluctuations  
585 or enter into any investment or program of investment or contract  
586 respecting interest rates, currency, cash flow or other similar  
587 agreement, including, but not limited to, interest rate or currency swap  
588 agreements, the effect of which is to subject a capital reserve fund  
589 which is in any way contributed to or guaranteed by the state of  
590 Connecticut, to potential liability, such determination shall not be  
591 effective until and unless the State Treasurer or his or her deputy  
592 appointed pursuant to section 3-12 has approved such agreement or  
593 agreements. The approval of the State Treasurer or his or her deputy

594 shall be based on documentation provided by the authority that it has  
595 sufficient revenues to meet the financial obligations associated with the  
596 agreement or agreements.

597 Sec. 16. Section 1-125 of the 2016 supplement to the general statutes  
598 is repealed and the following is substituted in lieu thereof (*Effective July*  
599 *1, 2016*):

600 The directors, officers and employees of Connecticut Innovations,  
601 Incorporated, the Connecticut Higher Education Supplemental Loan  
602 Authority, the Connecticut Student Loan Foundation, the Connecticut  
603 Housing Finance Authority, the Connecticut Housing Authority, the  
604 Materials Innovation and Recycling Authority, including ad hoc  
605 members of the Materials Innovation and Recycling Authority, the  
606 Connecticut Health and Educational Facilities Authority, the Capital  
607 Region Development Authority, the Connecticut Airport Authority,  
608 the Connecticut Lottery Corporation, the Connecticut Health Insurance  
609 Exchange, the Connecticut Green Bank, the Connecticut Retirement  
610 Security Authority, the Connecticut Port Authority and the State  
611 Education Resource Center and any person executing the bonds or  
612 notes of the agency shall not be liable personally on such bonds or  
613 notes or be subject to any personal liability or accountability by reason  
614 of the issuance thereof, nor shall any director or employee of the  
615 agency, including ad hoc members of the Materials Innovation and  
616 Recycling Authority, be personally liable for damage or injury, not  
617 wanton, reckless, wilful or malicious, caused in the performance of his  
618 or her duties and within the scope of his or her employment or  
619 appointment as such director, officer or employee, including ad hoc  
620 members of the Materials Innovation and Recycling Authority. The  
621 agency shall protect, save harmless and indemnify its directors,  
622 officers or employees, including ad hoc members of the Materials  
623 Innovation and Recycling Authority, from financial loss and expense,  
624 including legal fees and costs, if any, arising out of any claim, demand,  
625 suit or judgment by reason of alleged negligence or alleged  
626 deprivation of any person's civil rights or any other act or omission

627 resulting in damage or injury, if the director, officer or employee,  
628 including ad hoc members of the Materials Innovation and Recycling  
629 Authority, is found to have been acting in the discharge of his or her  
630 duties or within the scope of his or her employment and such act or  
631 omission is found not to have been wanton, reckless, wilful or  
632 malicious.

633 Sec. 17. Section 31-71e of the general statutes is repealed and the  
634 following is substituted in lieu thereof (*Effective July 1, 2016*):

635 No employer may withhold or divert any portion of an employee's  
636 wages unless (1) the employer is required or empowered to do so by  
637 state or federal law, or (2) the employer has written authorization from  
638 the employee for deductions on a form approved by the commissioner,  
639 or (3) the deductions are authorized by the employee, in writing, for  
640 medical, surgical or hospital care or service, without financial benefit  
641 to the employer and recorded in the employer's wage record book, or  
642 (4) the deductions are for contributions attributable to automatic  
643 enrollment, as defined in section 31-71j, as amended by this act, in a  
644 retirement plan described in Section 401(k), 403(b), 408, 408A or 457 of  
645 the Internal Revenue Code of 1986, or any subsequent corresponding  
646 internal revenue code of the United States, as from time to time  
647 amended, established by the employer, or in the Connecticut  
648 Retirement Security Program established pursuant to section 3 of this  
649 act, or (5) the employer is required under the law of another state to  
650 withhold income tax of such other state with respect to (A) employees  
651 performing services of the employer in such other state, or (B)  
652 employees residing in such other state.

653 Sec. 18. Section 31-71j of the general statutes is repealed and the  
654 following is substituted in lieu thereof (*Effective July 1, 2016*):

655 (a) As used in this section: (1) "Automatic enrollment" means a plan  
656 provision in an employee retirement plan described in Section 401(k)  
657 or 403(b) of the Internal Revenue Code of 1986, or any subsequent

658 corresponding internal revenue code of the United States, as from time  
659 to time amended, or a governmental deferred compensation plan  
660 described in Section 457 of said Internal Revenue Code, or a payroll  
661 deduction Individual Retirement Account plan described in Section  
662 408 or 408A of said Internal Revenue Code, or the Connecticut  
663 Retirement Security Program established pursuant to section 3 of this  
664 act, under which an employee is treated as having elected to have the  
665 employer make a specified contribution to the plan equal to a  
666 percentage of compensation specified in the plan until such employee  
667 affirmatively elects to not have such contribution made or elects to  
668 make a contribution in another amount; and (2) "automatic  
669 contribution arrangement" means an arrangement under an automatic  
670 enrollment plan under which, in the absence of an investment election  
671 by the participating employee, contributions made under such plan are  
672 invested in accordance with regulations prescribed by the United  
673 States Secretary of Labor under Section 404(c)(5) of the Employee  
674 Retirement Income Security Act of 1974, as amended from time to  
675 time.

676 (b) Any employer who provides automatic enrollment shall be  
677 relieved of liability for the investment decisions made by the employer  
678 or the Connecticut Retirement Security Program pursuant to section 8  
679 of this act on behalf of any participating employee under an automatic  
680 contribution arrangement, provided:

681 (1) The plan allows the participating employee at least quarterly  
682 opportunities to select investments for the employee's contributions  
683 between investment alternatives available under the plan;

684 (2) The employee is given notice of the investment decisions that  
685 will be made in the absence of the employee's direction, a description  
686 of all the investment alternatives available under the plan and a brief  
687 description of procedures available for the employee to change  
688 investments; and

689 (3) The employee is given at least annual notice of the actual  
 690 investments made on behalf of the employee under such automatic  
 691 contribution arrangement.

692 (c) Nothing in this section shall modify any existing responsibility of  
 693 employers or other plan officials for the selection of investment funds  
 694 for participating employees.

695 (d) The relief from liability of the employer under this section shall  
 696 extend to any other plan official who actually makes the investment  
 697 decisions on behalf of participating employees under an automatic  
 698 contribution arrangement.

699 Sec. 19. Sections 31-410 to 31-415, inclusive, of the general statutes  
 700 are repealed. (*Effective July 1, 2016*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>from passage</i>	New section
Sec. 7	<i>from passage</i>	New section
Sec. 8	<i>from passage</i>	New section
Sec. 9	<i>from passage</i>	New section
Sec. 10	<i>from passage</i>	New section
Sec. 11	<i>from passage</i>	New section
Sec. 12	<i>from passage</i>	New section
Sec. 13	<i>July 1, 2016</i>	1-79(12)
Sec. 14	<i>July 1, 2016</i>	1-120(1)
Sec. 15	<i>July 1, 2016</i>	1-124
Sec. 16	<i>July 1, 2016</i>	1-125
Sec. 17	<i>July 1, 2016</i>	31-71e



Sec. 18	July 1, 2016	31-71j
Sec. 19	July 1, 2016	Repealer section

**Statement of Purpose:**

To improve the retirement security of workers in the state who do not have access to an employer-sponsored retirement plan or payroll deduction individual retirement account.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*