



STATE OF CONNECTICUT
SENATE
STATE CAPITOL
HARTFORD, CONNECTICUT 06106-1591

SENATE REPUBLICAN OFFICES

Testimony of Senator Len Fasano, Minority Leader;
Senator Toni Boucher, Chief Deputy Minority Leader;
Senator Scott Frantz, Deputy Minority Leader
Labor and Public Employees Committee
March 8, 2016

H.B. 5591: An Act Creating the Connecticut Retirement Security Program

Co-Chair Sen. Gomes, Co-Chair Rep. Tercyak, Ranking members Sen. Hwang and Rep. Rutigliano, and the distinguished members of the Labor and Public Employees Committee:

We are Senator Len Fasano of the 34th district, Senator Toni Boucher of the 26th district, and Senator Scott Frantz of the 36th district.

We are writing to you today in strong opposition to H.B. 5591: An Act Creating the Connecticut Retirement Security Program and offering an alternative proposal to encourage people in Connecticut to invest in their retirement futures.

While well intentioned, the proposal to create a state administered public retirement plan is an unaffordable new layer of bureaucracy in state government that would place more financial burdens on an already struggling state and further strain the state budget. Even the Retirement Security Board acknowledges the questionable financial sustainability of the program should participation and contribution levels not match assumptions. We should not be placing additional mandates on our employers. Nor should the state be interfering in this industry, potentially displacing a large and vital segment of our private sector retirement planning and investment businesses.

The state should not get in the way of business. We should look for ways to better support our businesses that already offer these services. We should help connect people to the many different options on the market that can help them save for their futures.

Therefore, we would like share a different proposal as an alternative to the state administered public retirement plan proposed in H.B. No. 5591.

We are asking your committee to take a closer look at the Washington Small Business Retirement Marketplace, which was passed with bipartisan support in the state of Washington last year with the backing of AARP and the Securities Industry and Financial Markets Association (SIFMA). A similar proposal was also passed in New Jersey this year.

In closing, although we find the intentions of H.B. 5591 laudable, the amount of government bureaucracy it would create and the fact that it would pick a single entity as a winner rather than allow for open market competition concerns us. The state should not be picking winners and losers.

We ask that you consider the alternative that we have laid out.

Respectfully,

Len Fasano
Senate Minority Leader

Senator Toni Boucher
Chief Deputy Minority Leader

Senator L. Scott Frantz
Deputy Minority Leader