Insurance and Real Estate Committee

JOINT FAVORABLE REPORT

Bill No.: SB-901
Title: AN ACT CONCERNING RETIREMENT PLANS OFFERED BY POLITICAL SUBDIVISIONS OF THIS STATE.
Vote Date: 3/14/2019
Vote Action: Joint Favorable
PH Date: 2/28/2019
File No.: 

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SPONSORS OF BILL:
Insurance and Real Estate Committee

REASONS FOR BILL:
To assure that companies offering retirement plans within this state are acting in compliance of the law, and to allow for more information about the process of setting the prices to become public information on the website of the Secretary of State and monitored by the Comptroller and Insurance Commissioner.

NATURE AND SOURCES OF SUPPORT:

Jan Hochadel, President, AFT Connecticut testified that Sen. Lesser’s previously passed legislation on the difference of 403(b) and 401k accounts has had positive effects, and how that bill had been praised by AFT across the nation. Also, she states that this current bill ensure accountability and transparency when it comes to information shared between providers and investors.

Ray Rossomando, Director of Policy, Research, and Government Relations CEA wrote in testimony that this bill “would increase transparency and disclosures of fees associated with these plans. Ensuring transparency will better enable workers who use such plans to invest wisely and improve their retirement security.”

Ed Leavy, President, State Vocational Federation of Teachers commented that the bill is necessary to assure teachers have the right information in front of them when it comes to making a decision financially; information they would not otherwise have without this kind of transparency at all levels. He cites the use and reliance on transparency in the teaching
industry, for parents and students to view, and claims teachers desire that transparency to be reciprocated in concern to choosing a potential retirement plan.

**Aron Szapiro, Director of Policy Research Morningstar** states that enhanced transparency would have three major benefits: (1) public sector employees would benefit, (2) transparency leads to better markets by revealing major price differences, and (3) regulators would be able to assess the extent to which 403b plans cost more than other options and decide if further action is necessary.

**Eric George, President, Insurance Association of Connecticut** wrote in full support of this bills, stating that it clarifies a regulator for these plans. The testimony offered sponsorship of the bill from the IAC, and the firm is actively analyzing the language to unearth potential impacts.

**NATURE AND SOURCES OF OPPOSITION:**

*None Expressed.*

Reported by: Logan Cotter Date: 03/25/19