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## **OLR Bill Analysis**

**sHB 6552**

### ***AN ACT CONCERNING THE CONNECTICUT RETIREMENT SECURITY PROGRAM.***

#### **SUMMARY**

This bill makes various changes to the Connecticut Retirement Security Program, a program administered by the Office of the State Comptroller to establish a retirement program with Roth individual retirement accounts (IRAs) for eligible private-sector employees. Among other things, the bill:

1. reduces how long an employee must work for their employer to be a “covered employee” under the program;
2. eases quorum and voting requirements for the program’s advisory board;
3. removes a deadline for the program to repay the General Fund for certain expenses;
4. allows the comptroller to adopt regulations on program enforcement activities, including financial penalties;
5. removes an obsolete January 1, 2018, deadline for employers to begin annually providing their employees with certain informational materials on the program;
6. gives certain liability protections to advisory board members and employers covered by the program;
7. allows the comptroller to enter into intergovernmental agreements to collaborate on things like data collection, shared program administration, and pooled investments;

8. repeals a requirement for the comptroller to set up and maintain a website for qualified employers and vendors (§ 10); and
9. makes various conforming changes (e.g., §§ 4 & 6).

EFFECTIVE DATE: Upon passage

### **§ 1 — COVERED EMPLOYEES**

The bill reduces, from 120 days to 60 days, how long an employee must work for their employer to be a “covered employee” under the program. By law, employers covered by the program must give employees certain information about the program within 30 days after they become a “covered employee,” and automatically enroll them in the program within 60 days after that. Covered employees may opt out of the program by selecting a contribution level of zero (CGS § 31-422).

### **§ 2 — ADVISORY BOARD & GENERAL FUND REPAYMENT**

By law, the Connecticut Retirement Security Advisory Board advises the comptroller on matters like using the program’s surplus funds and modifying the program to meet federal tax law and regulations. The bill changes the board’s quorum requirement from eight of the board’s members to a majority, and allows the board to act by a majority vote of present members. (By law, the board is 15 members.)

It also removes (1) an October 1, 2023, deadline for the program to reimburse the General Fund for any money spent from it to administer the program and (2) a requirement for the reimbursement to also cover General Fund costs of providing compensation for covered employees.

### **§ 3 — COMPTROLLER REGULATIONS AND MOUS**

The bill allows the comptroller to adopt regulations (1) about program enforcement activities, such as financial penalties, to administer the program, and (2) to implement the program’s provisions on violations and possible civil actions.

It also allows, instead of requires, the comptroller to enter into memoranda of understanding (MOUs) with the Department of Labor and other state agencies about (1) gathering or disseminating

information needed to operate the program, (2) sharing the costs of doing so, and (3) reimbursing costs for certain enforcement activities.

**§§ 7-8 — INDEMNITY AND LIABILITY PROTECTION**

The bill protects anyone who serves on the program’s advisory board from being subject to civil liabilities for the program’s debts, obligations, or liabilities, and requires the comptroller to indemnify and hold harmless anyone acting under the law as an advisory board member (§ 7).

Under the bill, employers covered by the program are not (1) liable for their employees’ decisions to participate or not in the program or the board’s or enrollees’ investment decisions; (2) fiduciaries of the program, (3) responsible for the program’s administration, investments, or investment performance; or (4) liable for investment returns, program design, and benefits paid to participants (§ 8).

**§ 9 — INTERGOVERNMENTAL AGREEMENTS**

The bill allows the comptroller, in administering the program, to enter into an intergovernmental agreement, memorandum of cooperation, or MOU on things such as data collection, shared program administration and financial services, pooled investment of assets, marketing and outreach support, program evaluation and research, participant privacy, and any other collaboration area. He may enter into these agreements with another state, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, or any territory or insular possession under U.S. jurisdiction.

**COMMITTEE ACTION**

Labor and Public Employees Committee

Joint Favorable Substitute

Yea 7 Nay 4 (02/16/2023)