



House of Representatives

File No. 794

General Assembly

January Session, 2023

(Reprint of File No. 7)

Substitute House Bill No. 6552
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 19, 2023

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

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

1 Section 1. Section 31-416 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 As used in this section, section 31-71e, [and] sections 31-417 to [31-
4 427] 31-426, inclusive, as amended by this act, and sections 8 to 10,
5 inclusive, of this act:

6 (1) "Board" means the Connecticut Retirement Security Advisory
7 Board established pursuant to section 31-417, as amended by this act;

8 (2) "Contribution level" means (A) the contribution rate selected by
9 the participant that may be expressed as (i) a percentage of the
10 participant's taxable wages as is required to be reported under Sections
11 6041 and 6051 of the Internal Revenue Code of 1986, or any subsequent
12 corresponding internal revenue code of the United States, as amended

13 from time to time, or (ii) a dollar amount up to the maximum deductible
14 amount for the participant's taxable year under Section 219(b)(1) of the
15 Internal Revenue Code of 1986, or any subsequent corresponding
16 internal revenue code of the United States, as amended from time to
17 time; or (B) in the absence of an affirmative election by the participant,
18 three per cent of the participant's taxable wages as is required to be
19 reported under Sections 6041 and 6051 of the Internal Revenue Code of
20 1986, or any subsequent corresponding internal revenue code of the
21 United States, as amended from time to time. The contribution level of
22 a participant who customarily and regularly receives gratuities in
23 conjunction with his or her employment shall be a percentage of such
24 participant's wages as is required to be reported under Sections 6041
25 and 6051 of the Internal Revenue Code of 1986, or any subsequent
26 corresponding internal revenue code of the United States, as amended
27 from time to time;

28 (3) "Covered employee" means an individual (A) who has been
29 employed by a qualified employer for a period of not less than [one
30 hundred twenty days] sixty days, (B) who is nineteen years of age or
31 older, (C) who performs services within the state for purposes of section
32 31-222, and (D) whose service or employment is not excluded under the
33 provisions of subdivision (5) of subsection (a) of section 31-222;

34 (4) "Participant" means any individual participating in the program;

35 (5) "Program" means the Connecticut Retirement Security Program
36 established pursuant to section 31-418, as amended by this act;

37 (6) "Qualified employer" means any person, corporation, limited
38 liability company, firm, partnership, voluntary association, joint stock
39 association or other entity doing business in the state during the
40 calendar year, whether for profit or not for profit, that employed on
41 October first of the preceding calendar year five or more individuals in
42 the state and has paid not less than five of such individuals taxable
43 wages of not less than five thousand dollars in the preceding calendar
44 year. "Qualified employer" does not include: (A) The federal

45 government, (B) the state or any political subdivision thereof, (C) any
46 municipality, unit of a municipality or municipal housing authority, (D)
47 an employer employing only individuals whose services are excluded
48 under subdivision (5) of subsection (a) of section 31-222, or (E) an
49 employer that was not in existence at all times during the current
50 calendar year and the preceding calendar year;

51 (7) "Individual retirement account" means a Roth IRA;

52 (8) "Roth IRA" means an account described in Section 408A of the
53 Internal Revenue Code of 1986, or any subsequent corresponding
54 internal revenue code of the United States, as amended from time to
55 time;

56 (9) "Normal retirement age" means the age specified in Section 408A
57 of the Internal Revenue Code of 1986, or any subsequent corresponding
58 internal revenue code of the United States, as amended from time to
59 time, when an individual may withdraw all funds without penalty;

60 (10) "Vendor" means (A) a federally regulated retirement plan
61 sponsor conducting business in the state, including, but not limited to,
62 a federally regulated investment company or an insurance company, or
63 (B) a company conducting business in the state to (i) provide ancillary
64 services, including, but not limited to, technological, payroll or
65 recordkeeping services, and (ii) offer retirement plans or payroll deposit
66 individual retirement account arrangements using products of
67 regulated retirement plan sponsors. "Vendor" does not include
68 individual registered representatives, brokers, financial planners or
69 agents; and

70 (11) "Fee" means investment management charges, administrative
71 charges, investment advice charges, trading fees, marketing and sales
72 fees, revenue sharing, broker fees and other costs necessary to
73 administer the program.

74 Sec. 2. Subsections (f) to (i), inclusive, of section 31-417 of the general
75 statutes are repealed and the following is substituted in lieu thereof

76 (Effective from passage):

77 (f) [Eight] A majority of the members of the board shall constitute a
78 quorum. Any action taken by the board shall be by a majority vote of
79 the members present. Each member shall be entitled to one vote on the
80 board.

81 (g) (1) No member of the board or any officer, agent or employee of
82 the Comptroller administering the program shall, directly or indirectly,
83 have any financial interest in any corporation, business trust, estate,
84 trust, partnership or association, two or more persons having a joint or
85 common interest, or any other legal or commercial entity contracting
86 with the program.

87 (2) Notwithstanding the provisions of subdivision (1) of this
88 subsection or any other section of the general statutes, it shall not be a
89 conflict of interest or a violation of the provisions of said subdivision or
90 any other section of the general statutes for a trustee, director, officer or
91 employee of a bank, investment advisor, investment company or
92 investment banking firm, or a person having the required favorable
93 reputation for skill, knowledge and experience in retirement savings, to
94 serve as a member of the board, provided, in each case to which the
95 provisions of this subdivision are applicable, such trustee, director,
96 officer or employee of such a firm abstains from discussion,
97 deliberation, action and vote by the board in specific respect to any
98 undertaking pursuant to this section, section 31-71e, sections 31-418 to
99 [31-427] 31-426, inclusive, as amended by this act, in which such firm
100 has a direct interest separate from the interests of all similar firms
101 generally.

102 (h) The board, on behalf of the authority, and for the purpose of
103 implementing the Connecticut Retirement Security Program established
104 pursuant to section 31-418, as amended by this act, shall advise the
105 Comptroller on matters including:

106 (1) Using surplus funds to the extent authorized under sections 31-
107 71e, 31-71j, 31-416 to [31-427] 31-426, inclusive, as amended by this act,

108 and 31-429, as amended by this act, or other provisions of the general
109 statutes; and

110 (2) Making modifications to the program that the board deems
111 necessary to implement the provisions of section 31-71e, sections 31-417
112 to [31-427] 31-426, inclusive, as amended by this act, consistent with
113 federal rules and regulations in order to ensure that the program meets
114 all criteria for federal tax-deferral or tax-exempt benefits, and to prevent
115 the program from being treated as an employee benefit plan under the
116 federal Employee Retirement Income Security Act of 1974, as amended
117 from time to time.

118 (i) Any money expended from the General Fund for the purpose of
119 administering the Connecticut Retirement Security Program [, or
120 providing compensation for covered employees,] shall be reimbursed to
121 the General Fund [not later than October 1, 2023] according to a plan
122 established and agreed upon by both the Secretary of the Office of Policy
123 and Management and the Comptroller. Such plan shall (1) include a
124 schedule for reimbursement of any money expended from the General
125 Fund to the program, and (2) incorporate any previously agreed upon
126 terms between the Comptroller and the Treasurer to pay back the
127 General Fund for any request for an advance made pursuant to section
128 6 of public act 18-169. Payments to reimburse the General Fund shall
129 continue according to the terms of such plan until all money expended
130 from the General Fund to the program is reimbursed. The program may
131 pay any unpaid amounts earlier than the established repayment plan
132 requires.

133 Sec. 3. Section 31-418 of the general statutes is repealed and the
134 following is substituted in lieu thereof (*Effective from passage*):

135 (a) There is established the Connecticut Retirement Security Program,
136 the purpose of which shall be to promote and enhance retirement
137 savings for private sector employees in the state, to be administered by
138 the Comptroller. The office of the Comptroller shall constitute a
139 successor agency to the Connecticut Retirement Security Authority for

140 the purposes of administering the Connecticut Retirement Security
141 Program, in accordance with subsections (a), (b), (c), (d) and (f) of
142 sections 4-38d and 4-38e. The Comptroller, in consultation with the
143 board, may:

144 (1) Establish criteria and guidelines for the program to offer qualified
145 retirement investment choices. Such criteria and guidelines shall
146 establish a cap on total annual fees and shall provide participants with
147 information regarding each retirement investment choice's historical
148 investment performance;

149 (2) Receive and invest moneys in the program in any instruments,
150 obligations, securities or property in accordance with section 31-423;

151 (3) Contract with financial institutions or other organizations offering
152 or servicing retirement programs. The Comptroller may require that
153 each participant be charged a fee to defray the costs of the program. The
154 amount and method of collection of such fee shall be determined by the
155 Comptroller. No employer shall be required to fund or be responsible
156 for collecting fees from plan participants;

157 (4) Charge and equitably apportion among participants the
158 administrative costs and expenses incurred in the exercise of the
159 Comptroller's powers and duties as granted by this section;

160 (5) Borrow working capital funds and other funds as may be
161 necessary for the start-up and continuing operation of the program,
162 provided such funds are borrowed in the name of the program only.
163 Such borrowings shall be payable solely from revenues of the program;

164 (6) Do all things necessary or convenient to carry out the provisions
165 of section 31-71e, and sections 31-417 to [31-427] 31-426, inclusive, as
166 amended by this act; and

167 (7) Establish an administrative process by which participants,
168 potential participants and employees may submit grievances,
169 complaints and appeals to the Comptroller and have such grievances,

170 complaints and appeals heard and addressed by the Comptroller.

171 (b) (1) The Comptroller may adopt regulations in accordance with the
172 provisions of chapter 54 to implement the provisions of section 31-425,
173 as amended by this act. The Comptroller may adopt regulations
174 concerning program enforcement activities, including, but not limited
175 to, financial penalties, for the administration of the program.

176 ~~[(b)]~~ (2) The Comptroller [shall] may enter into memoranda of
177 understanding with the Labor Department and other state agencies
178 regarding ~~[(1)]~~ (A) the gathering or dissemination of information
179 necessary for the operations of the program, subject to such obligations
180 of confidentiality as may be agreed or required by law, ~~[(2)]~~ (B) the
181 sharing of costs incurred pursuant to the gathering and dissemination
182 of such information, and ~~[(3)]~~ (C) the reimbursement of costs for any
183 enforcement activities conducted pursuant to section 31-425, as
184 amended by this act. Each state agency may also enter into such
185 memoranda of understanding.

186 (c) The Comptroller may adopt regulations in accordance with the
187 provisions of chapter 54 to implement the provisions of this chapter,
188 including, but not limited to, regulations concerning the protection of
189 program participants' personal and confidential information.

190 Sec. 4. Subsection (a) of section 31-421 of the general statutes is
191 repealed and the following is substituted in lieu thereof (*Effective from*
192 *passage*):

193 (a) The Comptroller, in conducting the business of the program, shall
194 act: (1) With the care, skill, prudence and diligence under the
195 circumstances then prevailing that a prudent person acting in a like
196 capacity and familiar with such matters would use in the conduct of an
197 enterprise of like character and with like aims; (2) solely in the interests
198 of the program's participants and beneficiaries; (3) for the exclusive
199 purposes of providing benefits to participants and beneficiaries and
200 defraying reasonable expenses of administering the program; and (4) in
201 accordance with the provisions of section 31-71e, and sections 31-417 to

202 [31-427] 31-426, inclusive, as amended by this act, and any other
203 applicable sections of the general statutes.

204 Sec. 5. Subsection (a) of section 31-422 of the general statutes is
205 repealed and the following is substituted in lieu thereof (*Effective from*
206 *passage*):

207 (a) (1) [Not later than January 1, 2018, and annually thereafter, each]
208 Each qualified employer shall annually provide each of its covered
209 employees with the informational materials prepared by the
210 Comptroller pursuant to section 31-419. For any employee of a qualified
211 employer who (A) is hired on or after January 1, 2018, or (B) does not
212 meet the definition of covered employee pursuant to section 31-416, as
213 amended by this act, such qualified employer shall provide such
214 informational materials to such employee not later than thirty days, or
215 such other time period as prescribed by the Comptroller, after (i) the
216 date of such employee's hiring, or (ii) the date such employee meets the
217 definition of covered employee pursuant to section 31-416, as amended
218 by this act.

219 (2) Not later than sixty days after a qualified employer provides
220 informational materials to a covered employee in accordance with
221 subsection (a) of this section, or such other time period as prescribed by
222 the Comptroller, and subject to the provisions of subdivision (3) of this
223 subsection, such qualified employer shall automatically enroll each of
224 its covered employees in the program at the participant's contribution
225 level in accordance with the provisions of section 31-71j.

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

228 (4) (A) A qualified employer that (i) maintains a retirement plan or
229 retirement arrangement described under Section 219(g)(5) of the
230 Internal Revenue Code of 1986, or any subsequent corresponding
231 internal revenue code of the United States, as amended from time to
232 time, or (ii) any other retirement arrangement approved by the
233 Comptroller, shall be exempt from the requirements of subdivisions (1)

234 and (2) of this subsection.

235 (B) A qualified employer shall not be considered to maintain a
236 retirement plan or retirement arrangement described under said Section
237 219(g)(5) or any other retirement arrangement approved by the
238 Comptroller pursuant to subparagraph (A) of this subdivision, if the
239 Comptroller determines that (i) as of the first day of the previous
240 calendar year, no new participant was eligible to be enrolled in a
241 retirement plan or retirement arrangement maintained by such
242 qualified employer, and (ii) on and after the first day of the previous
243 calendar year, no contributions were made to such retirement plan or
244 retirement arrangement by or on behalf of a participant in such plan or
245 arrangement.

246 (5) The Comptroller may defer the effective date of the program, in
247 whole or in part, and for particular categories of employers, as the
248 Comptroller deems necessary to effectuate the purposes of section 31-
249 71e, and sections 31-417 to [31-427] 31-426, inclusive, as amended by this
250 act, in a manner that minimizes the disruption and burdens that may
251 exist for any qualified employer. The Comptroller shall provide notice
252 of any deferment of the effective date of the program to the chairpersons
253 and ranking members of the joint standing committee of the General
254 Assembly having cognizance of matters relating to labor not later than
255 seven days after the Comptroller has deemed such deferment necessary.
256 Such notice shall include the categories of employers affected, the
257 purpose for which the deferment was granted and the new effective date
258 of the program.

259 Sec. 6. Section 31-425 of the general statutes is repealed and the
260 following is substituted in lieu thereof (*Effective from passage*):

261 (a) The Attorney General may investigate any violation of section 31-
262 421, as amended by this act. If the Attorney General finds that any
263 member of the Connecticut Retirement Security Advisory Board, or any
264 agent engaged or appointed by the Comptroller or the board has
265 violated or is violating any provision of said section, the Attorney

266 General may bring a civil action in the superior court for the judicial
267 district of Hartford under this section in the name of the state against
268 such member or agent. The remedies available to a court in any such
269 action shall be limited to injunctive relief. Nothing in this section shall
270 be construed to create a private right of action.

271 (b) If a qualified employer fails to remit contributions to the program
272 in the time period specified in subsection (e) of section 31-422, such
273 failure to remit such contributions shall be a violation of section 31-71e.

274 (c) [If a qualified employer fails to enroll a covered employee as
275 required under subsection (a) of section 31-422, such covered employee,
276 the Labor Commissioner or the Comptroller, may bring a civil action to
277 require the qualified employer to enroll the covered employee and shall
278 recover such costs and reasonable attorney's fees as may be allowed by
279 the court.] (1) The Comptroller shall send at least two notices of
280 noncompliance, followed by a final notice of noncompliance, to any
281 qualified employer that fails to (A) enroll such employer's covered
282 employees in the program in accordance with subdivision (2) of
283 subsection (a) of section 31-422, as amended by this act, or (B) fails to
284 remit contributions to the program in the time period specified in
285 subsection (e) of section 31-422.

286 (2) Any qualified employer that is found to be noncompliant ninety
287 calendar days after service of the final notice of noncompliance shall be
288 subject to a penalty of (A) five hundred dollars for an employer that
289 employs not less than five and not more than twenty-four employees,
290 (B) one thousand dollars for an employer that employs not less than
291 twenty-five and not more than ninety-nine employees, and (C) one
292 thousand five hundred dollars for an employer that employs one
293 hundred or more employees.

294 Sec. 7. Subsection (c) of section 31-429 of the general statutes is
295 repealed and the following is substituted in lieu thereof (*Effective from*
296 *passage*):

297 (c) The provisions of this section, and sections 31-71e, 31-71j and 31-

298 416 to [31-427] 31-426, inclusive, as amended by this act, shall be
299 severable, and, if any of their provisions are held to be unconstitutional
300 or invalid, the validity of the remaining provisions of said sections will
301 not be affected.

302 Sec. 8. (NEW) (*Effective from passage*) No individual who serves as a
303 member of the advisory board shall be subject to civil liabilities for the
304 debts, obligations or liabilities of the Connecticut Retirement Security
305 Program as provided in this chapter. The Comptroller shall indemnify
306 and hold harmless any individual who acts pursuant to this chapter in
307 such capacity as an advisory board member.

308 Sec. 9. (NEW) (*Effective from passage*) Qualified employers shall not be
309 held liable for an employee's decision whether or not to participate in
310 the Connecticut Retirement Security Program or for the investment
311 decisions of the board or of any enrollee. Qualified employers shall not
312 (1) be a fiduciary, or be considered to be a fiduciary, over the program,
313 (2) bear responsibility for the administration, investment or investment
314 performance of the program, or (3) be liable with regard to investment
315 returns, program design and benefits paid to program participants.

316 Sec. 10. (NEW) (*Effective from passage*) The Comptroller, in
317 administering the Connecticut Retirement Security Program, may enter
318 into an intergovernmental agreement, memorandum of cooperation or
319 memorandum of agreement with another state, the District of
320 Columbia, Puerto Rico, the United States Virgin Islands or any territory
321 or insular possession subject to the jurisdiction of the United States
322 relating to areas of collaboration, including, but not limited to, data
323 collection, shared program administration and financial services,
324 pooled investment of assets, marketing and outreach support, program
325 evaluation and research, data collection and participant privacy and any
326 other area of collaboration.

327 Sec. 11. Section 31-427 of the general statutes is repealed. (*Effective*
328 *from passage*)

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	31-416
Sec. 2	<i>from passage</i>	31-417(f) to (i)
Sec. 3	<i>from passage</i>	31-418
Sec. 4	<i>from passage</i>	31-421(a)
Sec. 5	<i>from passage</i>	31-422(a)
Sec. 6	<i>from passage</i>	31-425
Sec. 7	<i>from passage</i>	31-429(c)
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>	Repealer section

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Resources of the General Fund	GF - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill results in a future revenue gain to the General Fund that is dependent on the plan established by the Office of Policy and Management and the Office of the State Comptroller for reimbursement of costs incurred related to the Retirement Security Program.

The bill also repeals the provision that allows the Labor Commissioner or the State Comptroller to bring civil action against an employer that fails to enroll a covered employee in the Retirement Security Plan, and instead allows the Office of the State Comptroller to levy a fine. This may also result in potential revenue gain from penalties imposed on noncompliant employers beginning in FY 24.

House "A" requires the Secretary of OPM and the Comptroller to establish a repayment plan, as well as creates a financial penalty for noncompliant employers resulting in the fiscal impact above.

The Out Years

The General Fund is anticipated to be fully reimbursed from resources of the Connecticut Retirement Security Program from the plan established by OPM and OSC. The annualized ongoing fiscal impact resulting from the fines levied by the Comptroller, identified above, would continue into the future based on penalties levied.

OLR Bill Analysis**sHB 6552 (as amended by House "A")******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 the October 1, 2023, deadline for the program to repay the General Fund for certain expenses, and instead requires repayment according to a plan set by the Office of Policy and Management (OPM) secretary and the comptroller;
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 (§ 5);
6. creates a notice requirement and financial penalty for noncompliant employers, rather than allowing the labor commissioner or comptroller to sue them, as under current law ;

7. gives certain liability protections to advisory board members and employers covered by the program;
8. allows the comptroller to enter into intergovernmental agreements to collaborate on things like data collection, shared program administration, and pooled investments;
9. repeals a requirement for the comptroller to set up and maintain a website for qualified employers and vendors (§ 11); and
10. makes various conforming changes (e.g., §§ 4 & 7).

*House Amendment "A" (1) requires the program's repayment to the General Fund to follow a plan set by the OPM secretary and the comptroller and (2) creates a notice requirement and financial penalty for noncompliant employers.

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.)

The bill 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. It instead requires that the reimbursement follow a plan established and agreed upon by the OPM secretary and comptroller.

The plan must (1) include a schedule for reimbursing any money spent from the General Fund to the program and (2) incorporate any previously agreed upon terms between the comptroller and treasurer to repay the General Fund for a funding advance made under an existing law that allowed such an advance. The bill requires the reimbursement payments to continue under the plan's terms until all money spent from the General Fund for the program is repaid. It also allows the program to pay any unpaid amounts earlier than then plan requires.

§ 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.

§ 6 — NONCOMPLIANT EMPLOYERS

Under current law, if a qualified employer (i.e., one subject to the program's requirements) fails to enroll an eligible employee in the program, either the labor commissioner or the comptroller may sue the employer to require compliance and recover costs and attorney's fees. The bill eliminates this provision and instead creates a notice requirement and financial penalty for the noncompliant employers.

Specifically, the bill requires the comptroller to send at least two

notices of noncompliance, followed by a final notice of noncompliance, to any qualified employer that fails to (1) enroll its eligible employees in the program as required or (2) timely remit employee contributions to the program as required. Under the bill, an employer found to be noncompliant 90 calendar days after the final notice of noncompliance was served is subject to a penalty based on the employer's number of employees, as shown in the table below.

Table: Penalty for Noncompliant Employers

Number of Employees	Penalty
5 – 24	\$500
25 – 99	\$1,000
100+	\$1,500

Under existing law, unchanged by the bill, an employer's failure to remit an employee's contributions to the program also violates the law that generally prohibits employers from withholding employee wages.

§§ 8-9 — 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 (§ 8).

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 (§ 9).

§ 10 — 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)