

Labor and Public Employees Committee

JOINT FAVORABLE REPORT

Bill No.: SB-136

AN ACT MAKING CHANGES TO THE CONNECTICUT RETIREMENT

Title: SECURITY PROGRAM STATUTES.

Vote Date: 3/7/2024

Vote Action: Joint Favorable

PH Date: 2/22/2024

File No.:

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SPONSORS OF BILL:

Labor and Public Employees Committee

REASONS FOR BILL:

This bill would make technical and operational changes to the Connecticut retirement security program administered by the Connecticut comptrollers' office. The changes would increase the default percentage of contributions, increase enforcement on non-compliant businesses, and make various procedural changes. These changes are intended to make the program function more smoothly and continue the success it saw in its first few years.

RESPONSE FROM ADMINISTRATION/AGENCY:

Sean Scanlon, Comptroller, CT Office of the State Comptroller: Scanlon voices his support of the bill as he believes it makes technical and operational improvements to the program. Scanlon expands on the MyCTSavings program that was launched in 2022 and 2023 which now has 25,000 enrolled employees and who have saved more than \$18 million dollars through the program. Scanlon believes for the programs continued success it needs to be updated and enhanced to be successful. The program applies to all employers who have at least five employees that are paid more than 5,000 dollars a year if they do not offer their own program, which is done by having payroll add a deduction to the employers' check. Scanlon wishes to make 10 improvements to the program to ensure its long-term success. Scanlon wishes to increase the initial contribution rate from 3% to 5%, increase the auto escalation cap to 10%, increase program compliance through reasonable financial penalties only after repeat notification are ignored, allow the program to maintain legal counsel, restore protections to board members, clarify that employers are not liable for the program's performance, lower the time for enrollment from 120 days to 30 days of employment, Enable other states to join into CT's program, remove the web page requirements, lower the

minimum Advisory Board meeting requirement (quorum minimum). These changes would improve and allow the program to progress more smoothly.

NATURE AND SOURCES OF SUPPORT:

TIM RYAN, VOLUNTEER, AARP: Ryan on behalf AARP voices his support of the bill emphasizing the importance of retirement. Ryan and AARP believe strongly in the MyCTSavings program as it let many employees access a payroll deduction retirement account with zero obligation. Having access to a payroll deduction retirement account makes people 15 times more likely to save and has expanded the option to 600,000 CT employees. Ryan highlights the bump in default savings rate, the lowering of employed time requirement, the adoption of an annual automated increase, and the business compliance enforcement as specific part of the bill he thinks are important.

PATRICIA BUXTON, EXECUTIVE DIRECTOR, LUTZ CHILDREN'S MUSEUM: Lutz voices her support of the bill citing her museum's experience using the program. Lutz states that the program has been positive for CT and her employees but believes that the changes present in the bill are necessary. Lutz specifically mentions lowering the time to enroll and the limitations on employer liability as changes she supports.

GEOFFREY PAUL, CO-OWNER, THE GRISWOLD INN: Paul voices his support of the bill stating that this is the first time his employees have had access to a retirement program. Paul believes that the program was positive for his employees and that the reforms proposed will make it even better. Paul specifically mentions the time to enroll, the employer protection from liability, and the decrease in quorum as positive reforms for the program.

NATURE AND SOURCES OF OPPOSITION:

LINDA DALESSIO, DOCTOR: Dalessio voices her opposition to the bill citing lack of oversight on how the comptroller uses funds and how the board operates.

Reported by: Jason Snukis & Noah Gulla

Date: March 25, 2024