

D R A F T

SUMMARY

Creates Oregon Retirement Savings Investment Board. Directs board to develop recommendations for establishing Oregon Secure Retirement Plan for individuals and employees in private sector and report to interim committee of Legislative Assembly on recommendations.

Declares emergency, effective on passage.

A BILL FOR AN ACT

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Relating to retirement investments; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. (1) The Oregon Retirement Savings Investment Board is established. The board consists of seven members as follows:

(a) The State Treasurer or the designee of the State Treasurer.

(b) The following members appointed by the Governor:

(A) Two representatives of employers.

(B) Two members who have experience in the financial industry or in pension plans.

(C) Two public members.

(2) The term of office of a member of the board is three years, but a member serves at the pleasure of the Governor. A member is eligible for reappointment. If there is a vacancy for any cause, the Governor shall make an appointment to become immediately effective for the unexpired term.

(3) The Governor shall select one of the members of the board as chairperson.

(4) A majority of the members of the board constitutes a quorum

1 for the transaction of business.

2 (5) Members of the board are entitled to compensation and expenses
3 as provided in ORS 292.495.

4 (6) The board may accept gifts, grants or contributions from any
5 source for the purposes of carrying out the duties of the board.

6 (7) _____ shall provide staff support to the board.

7 **SECTION 2.** (1) The Oregon Retirement Savings Investment Board
8 shall develop recommendations for establishing an Oregon Secure Re-
9 tirement Plan to offer retirement investment plans to employees in
10 the private sector.

11 (2) The plan must:

12 (a) Be accessible by the general public through pooled individual
13 retirement accounts.

14 (b) Use best business practices to build enrollment to a level at
15 which market efficiencies can lower costs to participants.

16 (c) Require private sector employers of a certain size who do not
17 offer an alternative retirement plan to offer the plan through a vol-
18 untary payroll deduction.

19 (d) Be accessible on a voluntary basis to all private sector employ-
20 ees and individuals.

21 (e) Be administered by the Oregon Retirement Savings Investment
22 Board or a third party contractor and be invested by an appropriate
23 third party contractor selected by the board.

24 (f) Provide options for individual retirement accounts or individual
25 retirement annuity plans under section 408(a) or 408(b) of the Internal
26 Revenue Code.

27 (g) Accept rollover contributions from a participant in the plan or
28 from an eligible retirement plan from which the participant is entitled
29 to an eligible rollover contribution.

30 (3) The plan may not:

31 (a) Include any guarantee by the State of Oregon or cause the state

1 to incur any liability or obligation for payment of savings or benefits
2 earned by plan participants.

3 (b) Impose any financial obligation or liability on private sector
4 employers with regard to investment or investment performance of the
5 plan.

6 **SECTION 3.** (1) On or before December 1, 2013, the Oregon Retirement Savings Investment Board shall report to an appropriate interim
7 committee of the Legislative Assembly. The report must include:
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9 (a) A description of the board's progress in developing recommendations with regard to the Oregon Secure Retirement Plan.
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11 (b) An analysis of whether the plan will comply with federal law and
12 whether any adjustments are needed to state or federal law to facilitate compliance with the law.
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14 (c) A review of similar plans in other states.

15 (2) On or before September 1, 2014, the board shall report to an appropriate interim committee of the Legislative Assembly. The report
16 must include recommendations for establishing the Oregon Secure Retirement Plan as described in section 2 of this 2013 Act, including:
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19 (a) Compliance and enforcement measures.

20 (b) Minimum or maximum investment levels.

21 (c) Enrollment procedures.

22 (d) Appropriate types of investment vehicles.

23 (e) Whether to insure or reinsure the invested funds against losses
24 or poor returns.

25 (f) Procedures for account owners to withdraw funds from their
26 accounts.

27 (g) Whether to contract with a private provider to assist with administration of the plan.
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29 (h) Recommendations for necessary legislation to implement the
30 plan.

31 (i) Any proposed rules the board considers necessary for the ad-

1 **ministration of the plan.**

2 **(3) The board may work with, contract with and enter into agree-**
3 **ments with private sector entities to develop its recommendations**
4 **under this section.**

5 **SECTION 4. Notwithstanding the term of office specified by section**
6 **1 of this 2013 Act, of the members first appointed to the Oregon Re-**
7 **tirement Savings Investment Board:**

8 **(1) Two shall serve for a term ending January 1, 2014.**

9 **(2) Two shall serve for a term ending January 1, 2015.**

10 **(3) Three shall serve for a term ending January 1, 2016.**

11 **SECTION 5. Sections 3 and 4 of this 2013 Act are repealed on Jan-**
12 **uary 2, 2017.**

13 **SECTION 6. This 2013 Act being necessary for the immediate pres-**
14 **ervation of the public peace, health and safety, an emergency is de-**
15 **clared to exist, and this 2013 Act takes effect on its passage.**

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