

NOTE: This bill has been prepared for the signatures of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.

An Act

SENATE BILL 19-173

BY SENATOR(S) Donovan and Pettersen, Bridges, Court, Danielson, Fenberg, Fields, Moreno, Rodriguez, Story, Todd, Williams A., Winter, Garcia;

also REPRESENTATIVE(S) Kraft-Tharp and Hansen, Arndt, Bird, Buckner, Duran, Exum, Gray, Herod, Hooton, Jackson, Kennedy, Kipp, Lontine, Melton, Michaelson Jenet, Roberts, Singer, Sirota, Snyder, Sullivan, Valdez A., Valdez D., Becker.

CONCERNING THE CREATION OF THE COLORADO SECURE SAVINGS PLAN BOARD TO STUDY APPROPRIATE APPROACHES TO INCREASE THE AMOUNT OF RETIREMENT SAVINGS BY COLORADO'S PRIVATE SECTOR WORKERS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Legislative declaration. (1) The general assembly hereby finds and declares that:

(a) Nearly half of all families in the United States have no retirement assets. Even among those families who are nearing retirement, four out of ten have no retirement assets.

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

(b) Middle-class, working-age families whose incomes are at the fiftieth percentile have, on average, only five thousand dollars saved in retirement accounts. The average for families with incomes at the ninetieth percentile is two hundred seventy-four thousand dollars.

(c) Only three in ten women aged sixty-five and older and slightly more than four in ten men aged sixty-five and older receive any income from pensions or retirement savings;

(d) Most African-American and Hispanic families have no retirement savings. About four out of ten African-American families and one out of four Hispanic families have retirement savings. The median white family with retirement savings has over three times as much saved as the median African-American or median Hispanic family.

(e) Coloradans are less prepared for retirement today than in previous decades. Eighty-two percent of Coloradans agree that the nation faces a retirement crisis and seventy-eight percent of Coloradans say that it is getting harder to prepare for retirement.

(f) Older workers are working longer and delaying their retirement. Many of today's seniors rely on their children, who are already struggling to raise their own families, or on other social services that are underfunded.

(g) Almost five out of ten Coloradans, aged twenty-five to sixty-four, working in the private sector lack access to a retirement plan at work;

(h) Colorado's younger workers are disproportionately affected, with forty-nine percent of workers between the age of twenty-five and twenty-nine, forty-five percent of workers between the age of thirty and thirty-four, and forty-eight percent of workers between the age of thirty-five and thirty-nine, lacking access to a retirement plan at work;

(i) Minority workers in Colorado are also disproportionately affected, with forty-nine percent of African-American workers and fifty-six percent of Hispanic workers lacking access to a retirement plan at work;

(j) Colorado's lowest wage workers are also less likely to have

access to a workplace retirement savings plan. Seventy-six percent of Colorado's workers in the lowest income quintile and fifty-two percent of Colorado's workers in the second lowest income quintile have no access to a retirement plan at work.

(k) The major reason why many workers do not participate in retirement savings plans is that their employers do not offer them. Experts on retirement recommend that the best way to increase retirement savings is to offer a workplace savings plan to all workers and enroll them automatically with the right to opt out. Workers are fifteen times more likely to save for retirement if they have access to a payroll deduction savings plan at work.

(l) For decades, Americans have built their retirement with traditional pensions, social security, and individual savings, but America's retirement system has unraveled. About half of Colorado workers in the private sector do not have any type of employer-sponsored retirement plan, and individual savings plans are not filling the gap and have proved risky and unreliable.

(m) The future of Colorado's economic growth relies on our aging population having sufficient income in retirement so they can afford to live independently and have quality healthcare. Our seniors contribute significantly to local economies throughout the state, and their retirement investment spending provides stability to those communities.

(n) Colorado needs a remedy to the retirement security crisis so that Coloradans can look forward to a retirement free from financial anxiety or hardship; and

(o) Coloradans have a history of creating unique solutions to the challenges that the state faces. The state has an opportunity to craft a plan for the future that can ensure all Coloradans have the ability to save for retirement.

(2) The general assembly further finds and declares that it is therefore in the best interest of the state to study the feasibility of creating the Colorado secure savings plan to provide a workplace savings plan for all Colorado workers whose employers do not provide such a plan.

SECTION 2. In Colorado Revised Statutes, **add** article 54.3 to title 24 as follows:

ARTICLE 54.3
Colorado Secure Savings Plan Act

24-54.3-101. Short title. THE SHORT TITLE OF THIS ARTICLE 54.3 IS THE "COLORADO SECURE SAVINGS PLAN ACT".

24-54.3-102. Definitions. AS USED IN THIS ARTICLE 54.3, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "BOARD" MEANS THE COLORADO SECURE SAVINGS PLAN BOARD ESTABLISHED IN SECTION 24-54.3-103.

(2) "EMPLOYEE" MEANS ANY INDIVIDUAL WHO IS EIGHTEEN YEARS OF AGE OR OLDER, WHO IS EMPLOYED BY AN EMPLOYER FOR AT LEAST ONE HUNDRED EIGHTY DAYS, AND WHO EARNS WAGES SUBJECT TO INCOME TAX PURSUANT TO SECTION 39-22-104.

(3) "EMPLOYER" MEANS A PERSON OR ENTITY ENGAGED IN A BUSINESS, INDUSTRY, PROFESSION, TRADE, OR OTHER ENTERPRISE IN THE STATE, WHETHER FOR PROFIT OR NOT-FOR-PROFIT, THAT EMPLOYED FIVE OR MORE EMPLOYEES AT ANY TIME DURING THE PREVIOUS CALENDAR YEAR, HAS BEEN IN BUSINESS AT LEAST TWO YEARS, AND HAS NOT OFFERED A QUALIFIED RETIREMENT PLAN TO ANY EMPLOYEES, INCLUDING, BUT NOT LIMITED TO, A PLAN QUALIFIED UNDER SECTIONS 401 (a), 401 (k), 403 (a), 403 (b), 408 (k), 408 (p), OR 457 (b) OF THE INTERNAL REVENUE CODE IN THE PRECEDING TWO YEARS.

(4) "FEE" MEANS INVESTMENT MANAGEMENT CHARGES, ADMINISTRATIVE CHARGES, INVESTMENT ADVICE CHARGES, TRADING FEES, MARKETING AND SALES FEES, REVENUE SHARING, BROKER FEES, AND OTHER COSTS NECESSARY TO RUN THE COLORADO SECURE SAVINGS PLAN.

(5) "INTERNAL REVENUE CODE" MEANS THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED, OR ANY SUCCESSOR LAW.

(6) "IRA" MEANS A ROTH INDIVIDUAL RETIREMENT ACCOUNT AUTHORIZED PURSUANT TO SECTION 408A OF THE INTERNAL REVENUE CODE

OR A TRADITIONAL INDIVIDUAL RETIREMENT ACCOUNT.

(7) "WAGES" MEANS ANY COMPENSATION WITHIN THE MEANING OF SECTION 219 (f)(1) OF THE INTERNAL REVENUE CODE THAT IS RECEIVED BY AN EMPLOYEE FROM AN EMPLOYER DURING THE CALENDAR YEAR.

24-54.3-103. Colorado secure savings plan board - creation - composition. (1) THERE IS HEREBY CREATED IN THE OFFICE OF THE STATE TREASURER THE COLORADO SECURE SAVINGS PLAN BOARD TO STUDY THE FEASIBILITY OF CREATING THE COLORADO SECURE SAVINGS PLAN AS WELL AS OTHER APPROACHES SPECIFIED IN SECTION 24-54.3-104 TO INCREASE THE AMOUNT OF RETIREMENT SAVINGS BY COLORADO'S PRIVATE SECTOR WORKERS.

(2) THE BOARD CONSISTS OF THE FOLLOWING NINE MEMBERS:

(a) THE STATE TREASURER OR THE TREASURER'S DESIGNEE; AND

(b) EIGHT MEMBERS APPOINTED BY THE GOVERNOR AS FOLLOWS:

(I) FIVE PUBLIC REPRESENTATIVES WITH EXPERTISE IN INVESTMENT OR RETIREMENT SAVINGS PLAN ADMINISTRATION, INCLUDING THE DAY-TO-DAY OPERATIONS OF PLANS, MAINTAINING INDIVIDUAL ACCOUNTS, INVESTING ASSETS IN A RETIREMENT SAVINGS PLAN, AND INDIVIDUAL FINANCIAL PLANNING, AT LEAST ONE OF WHOM SHALL BE A REPRESENTATIVE OF A FEDERALLY CHARTERED BANK AND AT LEAST ONE OF WHOM SHALL BE A REPRESENTATIVE OF A STATE CHARTERED BANK;

(II) A REPRESENTATIVE OF EMPLOYERS;

(III) A REPRESENTATIVE OF EMPLOYEES; AND

(IV) A RETIRED COLORADO RESIDENT.

(3) IN MAKING APPOINTMENTS TO THE BOARD, THE GOVERNOR SHALL MAKE A CONCERTED EFFORT TO INCLUDE MEMBERS OF DIVERSE POLITICAL, RACIAL, CULTURAL, INCOME, AND ABILITY GROUPS AND MEMBERS FROM URBAN AND RURAL AREAS OF THE STATE. THE GOVERNOR SHALL APPOINT BOARD MEMBERS AS SOON AS PRACTICABLE.

(4) THE STATE TREASURER OR THE TREASURER'S DESIGNEE SHALL SERVE AS THE CHAIR OF THE BOARD. THE MEMBERS SHALL ELECT FROM AMONG THEMSELVES ANY OTHER OFFICERS AS MAY BE NECESSARY FOR THE BOARD TO CARRY OUT ITS DUTIES AND RESPONSIBILITIES.

(5) A VACANCY IN THE TERM OF AN APPOINTED BOARD MEMBER SHALL BE FILLED FOR THE BALANCE OF THE UNEXPIRED TERM IN THE SAME MANNER AS THE ORIGINAL APPOINTMENT.

(6) MEMBERS OF THE BOARD SHALL SERVE WITHOUT COMPENSATION BUT MAY BE REIMBURSED FOR ACTUAL AND NECESSARY EXPENSES INCURRED IN CONNECTION WITH THEIR BOARD DUTIES.

(7) MEMBERS SHALL SERVE FOR A MINIMUM OF TWO YEARS OR UNTIL THE BOARD COMPLETES ITS REPORT TO THE GOVERNOR AND GENERAL ASSEMBLY AS DESCRIBED IN SECTION 24-54.3-105.

(8) AN INDIVIDUAL SHALL NOT BE OR CONTINUE TO BE A MEMBER OF THE BOARD IF THAT INDIVIDUAL HAS BEEN ADJUDICATED OF VIOLATING ANY PROVISIONS OF THIS ARTICLE 54.3 OR HAS BEEN CONVICTED OF A FELONY OR CRIME INVOLVING THE MISAPPROPRIATION OF FUNDS.

(9) THE MEMBERS OF THE BOARD, ANY OTHER AGENTS APPOINTED OR ENGAGED BY THE BOARD, AND ALL PERSONS SERVING AS STAFF, SHALL DISCHARGE THEIR DUTIES WITH RESPECT TO THE ANALYSES SOLELY IN THE INTEREST OF THE STATE AND SHALL NOT ENGAGE IN ANY ACTIVITIES THAT MIGHT RESULT IN A CONFLICT OF INTEREST WITH THEIR DUTIES AS MEMBERS OF THE BOARD.

24-54.3-104. Colorado secure savings plan - small business marketplace plan. (1) (a) THE BOARD SHALL CONDUCT OR CAUSE TO BE CONDUCTED DETAILED MARKET AND FINANCIAL ANALYSES TO DETERMINE THE FINANCIAL FEASIBILITY AND EFFECTIVENESS OF CREATING A RETIREMENT SAVINGS PLAN IN THE FORM OF AN AUTOMATIC ENROLLMENT PAYROLL DEDUCTION IRA, TO BE KNOWN AS THE COLORADO SECURE SAVINGS PLAN. FOR PURPOSES OF THE ANALYSES SPECIFIED IN THIS SUBSECTION (1), THE PLAN WOULD NOT BE A DEFINED BENEFIT PLAN AND THE BOARD SHALL MAKE THE ASSUMPTIONS SPECIFIED IN SUBSECTIONS (1)(b) THROUGH (1)(g) OF THIS SECTION.

(b) THE STATE WOULD NOT HAVE A DUTY OR LIABILITY TO ANY PARTY FOR THE PAYMENT OF ANY RETIREMENT SAVINGS BENEFITS ACCRUED BY ANY INDIVIDUAL UNDER THE COLORADO SECURE SAVINGS PLAN. ANY FINANCIAL LIABILITY FOR THE PAYMENT OF RETIREMENT SAVINGS BENEFITS IN EXCESS OF MONEY AVAILABLE UNDER THE PLAN WOULD BE BORNE SOLELY BY THE ENTITIES TO WHOM THE BOARD CONTRACTS TO PROVIDE INSURANCE TO PROTECT THE VALUE OF THE PLAN.

(c) NO STATE BOARD, COMMISSION, AGENCY, OR ANY OFFICER OR EMPLOYEE THEREOF WOULD BE LIABLE FOR ANY LOSS OR DEFICIENCY RESULTING FROM PARTICULAR INVESTMENTS SELECTED UNDER THIS ARTICLE 54.3.

(d) PARTICIPATING EMPLOYERS WOULD NOT HAVE ANY LIABILITY FOR AN EMPLOYEE'S DECISION TO PARTICIPATE IN, OR OPT OUT OF, THE COLORADO SECURE SAVINGS PLAN OR FOR THE INVESTMENT DECISIONS OF THE BOARD OR OF ANY ENROLLEE.

(e) A PARTICIPATING EMPLOYER WOULD NOT BE A FIDUCIARY, OR CONSIDERED TO BE A FIDUCIARY, OVER THE COLORADO SECURE SAVINGS PLAN. A PARTICIPATING EMPLOYER WOULD NOT BEAR RESPONSIBILITY FOR THE ADMINISTRATION, INVESTMENT, OR INVESTMENT PERFORMANCE OF THE PLAN. A PARTICIPATING EMPLOYER WOULD NOT BE LIABLE WITH REGARD TO INVESTMENT RETURNS, PLAN DESIGN, AND BENEFITS PAID TO PLAN ENROLLEES.

(f) MONEY DEPOSITED BY ENROLLEES IN THE COLORADO SECURE SAVINGS PLAN WOULD NOT BE PROPERTY OF THE STATE, AND THE PLAN WOULD NOT BE A DEPARTMENT, INSTITUTION, OR AGENCY OF THE STATE. AMOUNTS ON DEPOSIT IN THE PLAN WOULD NOT BE COMMINGLED WITH STATE MONEY AND THE STATE WOULD HAVE NO CLAIM TO OR AGAINST, OR INTEREST IN, SUCH MONEY.

(g) THE BOARD WOULD BE RESPONSIBLE FOR DESIGNING AND DISSEMINATING TO ALL EMPLOYERS AN EMPLOYER IMPLEMENTATION PACKET AND AN EMPLOYEE INFORMATION PACKET, WHICH WOULD INCLUDE BACKGROUND INFORMATION ON THE COLORADO SECURE SAVINGS PLAN AND APPROPRIATE DISCLOSURES FOR EMPLOYEES. THE EMPLOYEE INFORMATION PACKET WOULD ALSO INCLUDE INFORMATION ON THE MECHANICS OF MAKING CONTRIBUTIONS TO THE PLAN AND HOW TO OPT OUT OF THE PLAN.

(2) THE COLORADO SECURE SAVINGS PLAN WOULD BE DESIGNED TO PROMOTE GREATER RETIREMENT SAVINGS FOR PRIVATE SECTOR EMPLOYEES IN A CONVENIENT, LOW-COST, AND PORTABLE MANNER AND WOULD ACHIEVE THE FOLLOWING:

(a) AUTOMATICALLY ENROLL PRIVATE SECTOR EMPLOYEES WHO WORK FOR EMPLOYERS;

(b) AUTOMATICALLY ENROLL EMPLOYEES WITH A CONTRIBUTION LEVEL OF FIVE PERCENT OF THEIR WAGES. EMPLOYEES MAY OPT NOT TO PARTICIPATE IN THE COLORADO SECURE SAVINGS PLAN OR MAY SELECT A DIFFERENT LEVEL OF CONTRIBUTION.

(c) POOL INVESTMENT MONEY, INVEST MONEY IN THE COLORADO SECURE SAVINGS PLAN TO ACHIEVE COST SAVINGS THROUGH EFFICIENCIES AND ECONOMIES OF SCALE, AND MAKE OR ENTER INTO CONTRACTS WITH UP TO THREE INVESTMENT MANAGERS, PRIVATE FINANCIAL INSTITUTIONS, AND OTHER SERVICE PROVIDERS TO INVEST MONEY AND ADMINISTER THE PLAN. IF FEWER THAN THREE ENTITIES BID TO BE INVESTMENT MANAGERS OR MEET THE QUALIFICATIONS TO BE AN INVESTMENT MANAGER AS DETERMINED BY THE BOARD, THE PLAN WOULD PROCEED WITH FEWER THAN THREE INVESTMENT MANAGERS.

(d) PROVIDE THE FOLLOWING INVESTMENT OPTIONS:

(I) A LOW-RISK INVESTMENT PORTFOLIO;

(II) TARGET DATE FUNDS; AND

(III) OTHER INVESTMENT FUNDS AS DETERMINED BY THE BOARD;

(e) MINIMIZE TOTAL ANNUAL FEES ASSOCIATED WITH THE COLORADO SECURE SAVINGS PLAN. FOR THE FIRST FIVE YEARS OF OPERATION OF THE PLAN, TOTAL ANNUAL FEES ASSOCIATED WITH THE PLAN SHALL NOT EXCEED ONE PERCENT OF THE TOTAL VALUE OF THE PLAN'S ASSETS. IN THE SIXTH YEAR OF THE OPERATION OF THE PLAN AND IN EACH YEAR THEREAFTER, THE TOTAL ANNUAL FEES ASSOCIATED WITH THE PLAN SHALL NOT EXCEED THREE-QUARTERS OF ONE PERCENT OF THE TOTAL VALUE OF THE PLAN'S ASSETS.

(f) IMPLEMENT PROCESSES THAT REDUCE THE ACTIONS REQUIRED BY EMPLOYERS AND PROVIDE PAYMENT TO EMPLOYERS TO PAY FOR THE INITIAL AND ONGOING ADMINISTRATIVE COSTS RELATED TO IMPLEMENTING THE COLORADO SECURE SAVINGS PLAN. IN CONNECTION WITH THE REQUIREMENTS OF THIS SUBSECTION (2)(f), THE BOARD IS REQUIRED TO:

(I) REVIEW THE AVERAGE COSTS OF ENROLLING EMPLOYEES IN THE COLORADO SECURE SAVINGS PLAN AND DETERMINE A MAXIMUM AMOUNT THAT WOULD BE PAID TO EMPLOYERS WITH LESS THAN FIFTY EMPLOYEES TO REIMBURSE THEM FOR IMPLEMENTING THE PLAN; AND

(II) DEVELOP A PROCESS WHEREBY EMPLOYERS WITH LESS THAN FIFTY EMPLOYEES SUBMIT DOCUMENTATION OF THEIR ACTUAL COSTS OF IMPLEMENTING THE COLORADO SECURE SAVINGS PLAN ANNUALLY TO THE BOARD. THE BOARD WILL REIMBURSE THEM FOR THEIR ACTUAL COSTS OR THE MAXIMUM REIMBURSEMENT AMOUNT DETERMINED BY THE BOARD, WHICHEVER IS LESS.

(g) ENSURE THE PORTABILITY OF BENEFITS AND CONSIDER THE TYPE OF IRA OFFERED AS A WAY OF INCREASING THE PORTABILITY OF BENEFITS;

(h) ENSURE THAT EMPLOYERS IN ALL OF COLORADO'S INDUSTRIES ARE COVERED BY THE COLORADO SECURE SAVINGS PLAN AND THAT EMPLOYEES IN ALL OF COLORADO'S INDUSTRIES CAN PARTICIPATE IN THE PLAN;

(i) PROVIDE FOR THE INVESTMENT AND DEACCUMULATION OF ENROLLEE ASSETS IN A MANNER THAT MAXIMIZES FINANCIAL SECURITY IN RETIREMENT;

(j) INCLUDE A COMPONENT THAT WOULD ALLOW FOR VOLUNTARY EMPLOYER CONTRIBUTIONS TO THE EMPLOYEE'S ACCOUNTS, IF THE BOARD DETERMINES THAT ADDING SUCH A COMPONENT WOULD BE FEASIBLE AND EFFECTIVE;

(k) ALLOW EMPLOYERS WHO ARE NOT COVERED BY THE COLORADO SECURE SAVINGS PLAN TO VOLUNTARILY PARTICIPATE IN THE PLAN; AND

(l) ALLOW INDIVIDUALS WHO ARE NOT CONSIDERED EMPLOYEES UNDER THE COLORADO SECURE SAVINGS PLAN BUT WHO MEET THE

QUALIFICATIONS TO OPEN AN IRA, TO VOLUNTARILY PARTICIPATE IN THE PLAN.

(3) (a) THE BOARD SHALL CONDUCT OR CAUSE TO BE CONDUCTED DETAILED MARKET AND FINANCIAL ANALYSES TO DETERMINE THE FINANCIAL FEASIBILITY AND EFFECTIVENESS OF A SMALL BUSINESS MARKETPLACE PLAN TO INCREASE THE NUMBER OF COLORADO BUSINESSES THAT OFFER RETIREMENT SAVINGS PLANS FOR THEIR EMPLOYEES. FOR PURPOSES OF THE ANALYSES SPECIFIED IN THIS SUBSECTION (3), THE MARKETPLACE PLAN WOULD BE VOLUNTARY FOR BOTH EMPLOYERS AND EMPLOYEES, OPEN TO ALL EMPLOYEES AND EMPLOYERS WITH FEWER THAN ONE HUNDRED EMPLOYEES, AND ADMINISTERED BY THE DEPARTMENT OF LABOR AND EMPLOYMENT.

(b) THE DEPARTMENT OF LABOR AND EMPLOYMENT WOULD BE REQUIRED TO DO THE FOLLOWING IN CONNECTION WITH THE MARKETPLACE PLAN:

(I) CONTRACT WITH A PRIVATE FIRM TO CREATE AND OPERATE THE MARKETPLACE WEBSITE;

(II) LIST PRODUCTS FROM PARTICIPATING FINANCIAL FIRMS ON THE MARKETPLACE PROVIDED THEY OFFER AT LEAST ONE TARGET DATE FUND AND ONE BALANCED FUND AND ARE APPROVED BY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LABOR AND EMPLOYMENT; AND

(III) PROHIBIT FIRMS LISTING THEIR PRODUCTS ON THE MARKETPLACE FROM CHARGING EMPLOYERS ANY ADMINISTRATIVE FEES AND LIMIT THE FEES THEY CAN CHARGE EMPLOYEES ENROLLED IN THE PLANS PURCHASED THROUGH THE MARKETPLACE TO NO MORE THAN ONE PERCENT IN TOTAL ANNUAL ADMINISTRATIVE FEES.

(c) THE ANALYSES SPECIFIED IN THIS SUBSECTION (3) WOULD INCLUDE:

(I) THE NUMBER OF EMPLOYERS LIKELY TO PURCHASE RETIREMENT PLANS THROUGH THE MARKETPLACE; AND

(II) THE NUMBER OF EMPLOYEES LIKELY TO PARTICIPATE IN A WORKPLACE RETIREMENT SAVINGS PLAN EITHER THROUGH A PLAN THEIR

EMPLOYER PURCHASES THROUGH THE MARKETPLACE OR A PLAN THEY PURCHASE THROUGH THE MARKETPLACE, INCLUDING INFORMATION ON:

(A) THE NUMBER OF EMPLOYEES WORKING FOR THE EMPLOYER WHERE THE EMPLOYEE WORKS;

(B) THE INCOME OF THE EMPLOYEES PARTICIPATING IN THE PLANS PURCHASED THROUGH THE MARKETPLACE; AND

(C) THE DEMOGRAPHICS OF THE EMPLOYEES PARTICIPATING IN THE PLANS PURCHASED THROUGH THE MARKETPLACE.

(4) THE BOARD SHALL CONDUCT OR CAUSE TO BE CONDUCTED AN ASSESSMENT OF THE EFFECTS THAT GREATER FINANCIAL EDUCATION AMONG COLORADO RESIDENTS WOULD HAVE ON INCREASING THEIR RETIREMENT SAVINGS, INCLUDING:

(a) THE UNDERLYING CAUSES FOR COLORADANS NOT SAVING ENOUGH FOR RETIREMENT, THE NUMBER OF COLORADANS THAT WOULD INCREASE THE AMOUNT OF THEIR RETIREMENT SAVINGS, AND THE AMOUNT OF INCREASE IN RETIREMENT SAVINGS RELATED TO THE EFFECTS OF GREATER FINANCIAL EDUCATION;

(b) THE DEMOGRAPHICS OF THE COLORADANS THAT WOULD INCREASE THE AMOUNT OF THEIR RETIREMENT SAVINGS RELATED TO THE EFFECTS OF GREATER FINANCIAL EDUCATION;

(c) THE TYPE OF FINANCIAL EDUCATION THAT IS MOST LIKELY TO RESULT IN AN INCREASE IN THE AMOUNT OF COLORADANS' RETIREMENT SAVINGS; AND

(d) THE PROVIDERS OF FINANCIAL EDUCATION THAT ARE MOST LIKELY TO HAVE THE GREATEST EFFECT ON INCREASING THE AMOUNT OF COLORADANS' RETIREMENT SAVINGS.

(5) THE BOARD SHALL CONDUCT OR CAUSE TO BE CONDUCTED AN ANALYSIS ASSESSING THE EFFECTS THAT NOT INCREASING COLORADANS' RETIREMENT SAVINGS WOULD HAVE ON CURRENT AND FUTURE STATE AND LOCAL GOVERNMENT EXPENDITURES.

24-54.3-105. Reports to the governor and general assembly.

(1) THE BOARD SHALL CONDUCT OR CAUSE TO BE CONDUCTED THE STUDIES AND ANALYSES DESCRIBED IN SECTION 24-54.3-104 AND PRESENT A FINAL REPORT TO THE GOVERNOR AND THE GENERAL ASSEMBLY ON ITS FINDINGS ON OR BEFORE FEBRUARY 28, 2020.

(2) IF THE BOARD DOES NOT OBTAIN ADEQUATE MONEY TO CONDUCT OR CAUSE TO BE CONDUCTED THE ANALYSES DESCRIBED IN SECTION 24-54.3-104, THE BOARD MAY DELAY IMPLEMENTATION OF ONE OR MORE OF THE ANALYSES AND THE CORRESPONDING REPORT TO THE GOVERNOR AND THE GENERAL ASSEMBLY. THE BOARD SHALL NOTIFY THE GOVERNOR AND THE GENERAL ASSEMBLY IF AN ANALYSIS OR REPORT WILL BE DELAYED.

(3) IF, AFTER CONDUCTING OR CAUSING TO BE CONDUCTED THE STUDIES DESCRIBED IN THIS ARTICLE 54.3, THE BOARD FINDS AND DETERMINES THAT THERE ARE APPROACHES TO INCREASING RETIREMENT SAVINGS FOR PRIVATE SECTOR EMPLOYEES IN A CONVENIENT, LOW-COST, AND PORTABLE MANNER, THAT ARE FINANCIALLY FEASIBLE AND SELF-SUSTAINING, THE BOARD SHALL RECOMMEND TO THE GOVERNOR AND GENERAL ASSEMBLY A PLAN TO IMPLEMENT ITS FINDINGS.

(4) THE PLAN SUBMITTED BY THE BOARD SHALL DESCRIBE AND DELINEATE ALL THE NECESSARY PROVISIONS AND POLICIES NEEDED TO ESTABLISH AND OPERATE THE APPROACH IT RECOMMENDS. THE BOARD SHALL ALSO DEMONSTRATE THAT ITS RECOMMENDATIONS:

(a) ARE DESIGNED IN ACCORDANCE WITH BEST PRACTICES FOR RETIREMENT SAVINGS VEHICLES;

(b) ARE SELF-SUSTAINING BASED ON THE RESULTS OF A FINANCIAL FEASIBILITY STUDY;

(c) MAXIMIZE PARTICIPATION BY PRIVATE SECTOR EMPLOYEES WITHOUT A RETIREMENT PLAN AT WORK;

(d) MAXIMIZE SIMPLICITY, INCLUDING EASE OF ADMINISTRATION FOR PARTICIPATING EMPLOYERS AND EMPLOYEES;

(e) INCREASE THE AMOUNT OF RETIREMENT SAVINGS HELD BY COLORADANS;

- (f) PROVIDE PORTABILITY OF BENEFITS;
- (g) OFFER LOW-COST, EFFICIENT INVESTMENTS TO EMPLOYEES; AND
- (h) CAN BE FINANCED WITHOUT IMPOSING ANY COSTS ON THE STATE.

24-54.3-106. Plan implementation authorization. THE BOARD SHALL NOT IMPLEMENT THE RECOMMENDED PLAN UNLESS THE GENERAL ASSEMBLY, ACTING BY BILL, DIRECTS THE BOARD TO IMPLEMENT THE PLAN. IF THE BOARD IS DIRECTED TO IMPLEMENT THE PLAN, IT SHALL BEGIN IMPLEMENTATION BY A DATE SPECIFIED BY THE GENERAL ASSEMBLY ACTING BY BILL.

SECTION 3. Appropriation. For the 2019-20 state fiscal year, \$800,000 is appropriated to the department of treasury. This appropriation is from the general fund. To implement this act, the department may use this appropriation for operating expenses related to administration.

SECTION 4. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Leroy M. Garcia
PRESIDENT OF
THE SENATE

KC Becker
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____
(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO