

**First Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 19-0428.01 Nicole Myers x4326

SENATE BILL 19-173

SENATE SPONSORSHIP

Donovan and Pettersen, Bridges, Court, Danielson, Fenberg, Fields, Garcia, Moreno, Rodriguez, Story, Todd, Williams A., Winter

HOUSE SPONSORSHIP

Kraft-Tharp and Hansen,

Senate Committees

Finance
Appropriations

House Committees

Business Affairs & Labor
Appropriations

A BILL FOR AN ACT

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

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill establishes the Colorado secure savings plan board (board) to study the feasibility of creating the Colorado secure savings plan and

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

HOUSE
2nd Reading Unamended
April 27, 2019

SENATE
3rd Reading Unamended
April 22, 2019

SENATE
Amended 2nd Reading
April 18, 2019

other appropriate approaches to increase the amount of retirement savings by Colorado's private sector workers.

The board consists of the state treasurer or the treasurer's designee and 8 additional trustees with certain experience who are appointed by the governor.

The board is required to conduct the following 4 analyses or assessments by a specified date:

- ! A detailed market and financial analysis 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. The plan would be designed to promote greater retirement savings for private sector employees in a convenient, low-cost, and portable manner.
- ! A detailed market and financial analysis 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. The marketplace plan would be voluntary for both employers and employees, open to all employees and employers with fewer than 100 employees, and administered by the department of labor and employment. The bill specifies certain duties of the department of labor and employment in connection with the marketplace plan if it is implemented.
- ! An analysis of the effects that greater financial education among Colorado residents would have on increasing their retirement savings; and
- ! An analysis of the effects that not increasing Coloradans' retirement savings would have on current and future state and local government expenditures.

The board may accept any gifts, grants, and donations, or any money from public or private entities to pay for the costs of the analyses. The board may delay implementation of one or more of the analyses if it does not obtain adequate money to conduct the analyses.

If after conducting the analyses, the board finds 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 is required to recommend a plan to implement its findings to the governor and the general assembly.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly

1 hereby finds and declares that:

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

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

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

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

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

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

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

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

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

10 (j) Colorado's lowest wage workers are also less likely to have
11 access to a workplace retirement savings plan. Seventy-six percent of
12 Colorado's workers in the lowest income quintile and fifty-two percent of
13 Colorado's workers in the second lowest income quintile have no access
14 to a retirement plan at work.

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

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

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

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

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

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

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

19 **ARTICLE 54.3**

20 **Colorado Secure Savings Plan Act**

21 **24-54.3-101. Short title.** THE SHORT TITLE OF THIS ARTICLE 54.3
22 IS THE "COLORADO SECURE SAVINGS PLAN ACT".

23 **24-54.3-102. Definitions.** AS USED IN THIS ARTICLE 54.3, UNLESS
24 THE CONTEXT OTHERWISE REQUIRES:

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

27 (2) "EMPLOYEE" MEANS ANY INDIVIDUAL WHO IS EIGHTEEN YEARS

1 OF AGE OR OLDER, WHO IS EMPLOYED BY AN EMPLOYER FOR AT LEAST ONE
2 HUNDREDEIGHTY DAYS, AND WHO EARNS WAGES SUBJECT TO INCOME TAX
3 PURSUANT TO SECTION 39-22-104.

4 (3) "EMPLOYER" MEANS A PERSON OR ENTITY ENGAGED IN A
5 BUSINESS, INDUSTRY, PROFESSION, TRADE, OR OTHER ENTERPRISE IN THE
6 STATE, WHETHER FOR PROFIT OR NOT-FOR-PROFIT, THAT EMPLOYED FIVE
7 OR MORE EMPLOYEES AT ANY TIME DURING THE PREVIOUS CALENDAR
8 YEAR, HAS BEEN IN BUSINESS AT LEAST TWO YEARS, AND HAS NOT
9 OFFERED A QUALIFIED RETIREMENT PLAN TO ANY EMPLOYEES, INCLUDING,
10 BUT NOT LIMITED TO, A PLAN QUALIFIED UNDER SECTIONS 401 (a), 401 (k),
11 403 (a), 403 (b), 408 (k), 408 (p), OR 457 (b) OF THE INTERNAL REVENUE
12 CODE IN THE PRECEDING TWO YEARS.

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

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

19 (6) "IRA" MEANS A ROTH INDIVIDUAL RETIREMENT ACCOUNT
20 AUTHORIZED PURSUANT TO SECTION 408A OF THE INTERNAL REVENUE
21 CODE OR A TRADITIONAL INDIVIDUAL RETIREMENT ACCOUNT.

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

25 **24-54.3-103. Colorado secure savings plan board - creation -**
26 **composition.** (1) THERE IS HEREBY CREATED IN THE OFFICE OF THE STATE
27 TREASURER THE COLORADO SECURE SAVINGS PLAN BOARD TO STUDY THE

1 FEASIBILITY OF CREATING THE COLORADO SECURE SAVINGS PLAN AS WELL
2 AS OTHER APPROACHES SPECIFIED IN SECTION 24-54.3-104 TO INCREASE
3 THE AMOUNT OF RETIREMENT SAVINGS BY COLORADO'S PRIVATE SECTOR
4 WORKERS.

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

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

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

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

15 (II) A REPRESENTATIVE OF EMPLOYERS;

16 (III) A REPRESENTATIVE OF EMPLOYEES; AND

17 (IV) A RETIRED COLORADO RESIDENT.

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

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

27 (5) A VACANCY IN THE TERM OF AN APPOINTED BOARD MEMBER

1 SHALL BE FILLED FOR THE BALANCE OF THE UNEXPIRED TERM IN THE SAME
2 MANNER AS THE ORIGINAL APPOINTMENT.

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

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

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

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

19 **24-54.3-104. Colorado secure savings plan - small business**
20 **marketplace plan.** (1) (a) THE BOARD SHALL CONDUCT OR CAUSE TO BE
21 CONDUCTED DETAILED MARKET AND FINANCIAL ANALYSES TO DETERMINE
22 THE FINANCIAL FEASIBILITY AND EFFECTIVENESS OF CREATING A
23 RETIREMENT SAVINGS PLAN IN THE FORM OF AN AUTOMATIC ENROLLMENT
24 PAYROLL DEDUCTION IRA, TO BE KNOWN AS THE COLORADO SECURE
25 SAVINGS PLAN. FOR PURPOSES OF THE ANALYSES SPECIFIED IN THIS
26 SUBSECTION (1), THE PLAN WOULD NOT BE A DEFINED BENEFIT PLAN AND
27 THE BOARD SHALL MAKE THE ASSUMPTIONS SPECIFIED IN SUBSECTIONS

1 (1)(b) THROUGH (1)(g) OF THIS SECTION.

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

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

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

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

24 (f) MONEY DEPOSITED BY ENROLLEES IN THE COLORADO SECURE
25 SAVINGS PLAN WOULD NOT BE PROPERTY OF THE STATE, AND THE PLAN
26 WOULD NOT BE A DEPARTMENT, INSTITUTION, OR AGENCY OF THE STATE.
27 AMOUNTS ON DEPOSIT IN THE PLAN WOULD NOT BE COMMINGLED WITH

1 STATE MONEY AND THE STATE WOULD HAVE NO CLAIM TO OR AGAINST, OR
2 INTEREST IN, SUCH MONEY.

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

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

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

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

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

1 DETERMINED BY THE BOARD, THE PLAN WOULD PROCEED WITH FEWER
2 THAN THREE INVESTMENT MANAGERS.

3 (d) PROVIDE THE FOLLOWING INVESTMENT OPTIONS:

4 (I) A LOW-RISK INVESTMENT PORTFOLIO;

5 (II) TARGET DATE FUNDS; AND

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

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

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

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

25 (II) DEVELOP A PROCESS WHEREBY EMPLOYERS WITH LESS THAN
26 FIFTY EMPLOYEES SUBMIT DOCUMENTATION OF THEIR ACTUAL COSTS OF
27 IMPLEMENTING THE COLORADO SECURE SAVINGS PLAN ANNUALLY TO THE

1 BOARD. THE BOARD WILL REIMBURSE THEM FOR THEIR ACTUAL COSTS OR
2 THE MAXIMUM REIMBURSEMENT AMOUNT DETERMINED BY THE BOARD,
3 WHICHEVER IS LESS.

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

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

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

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

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

21 (l) ALLOW INDIVIDUALS WHO ARE NOT CONSIDERED EMPLOYEES
22 UNDER THE COLORADO SECURE SAVINGS PLAN BUT WHO MEET THE
23 QUALIFICATIONS TO OPEN AN IRA, TO VOLUNTARILY PARTICIPATE IN THE
24 PLAN.

25 (3) (a) THE BOARD SHALL CONDUCT OR CAUSE TO BE CONDUCTED
26 DETAILED MARKET AND FINANCIAL ANALYSES TO DETERMINE THE
27 FINANCIAL FEASIBILITY AND EFFECTIVENESS OF A SMALL BUSINESS

1 MARKETPLACE PLAN TO INCREASE THE NUMBER OF COLORADO BUSINESSES
2 THAT OFFER RETIREMENT SAVINGS PLANS FOR THEIR EMPLOYEES. FOR
3 PURPOSES OF THE ANALYSES SPECIFIED IN THIS SUBSECTION (3), THE
4 MARKETPLACE PLAN WOULD BE VOLUNTARY FOR BOTH EMPLOYERS AND
5 EMPLOYEES, OPEN TO ALL EMPLOYEES AND EMPLOYERS WITH FEWER THAN
6 ONE HUNDRED EMPLOYEES, AND ADMINISTERED BY THE DEPARTMENT OF
7 LABOR AND EMPLOYMENT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27 (5) THE BOARD SHALL CONDUCT OR CAUSE TO BE CONDUCTED AN

1 ANALYSIS ASSESSING THE EFFECTS THAT NOT INCREASING COLORADANS'
2 RETIREMENT SAVINGS WOULD HAVE ON CURRENT AND FUTURE STATE AND
3 LOCAL GOVERNMENT EXPENDITURES.

4 **24-54.3-105. Reports to the governor and general assembly.**

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

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

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

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

27 (a) ARE DESIGNED IN ACCORDANCE WITH BEST PRACTICES FOR

- 1 RETIREMENT SAVINGS VEHICLES;
- 2 (b) ARE SELF-SUSTAINING BASED ON THE RESULTS OF A FINANCIAL
- 3 FEASIBILITY STUDY;
- 4 (c) MAXIMIZE PARTICIPATION BY PRIVATE SECTOR EMPLOYEES
- 5 WITHOUT A RETIREMENT PLAN AT WORK;
- 6 (d) MAXIMIZE SIMPLICITY, INCLUDING EASE OF ADMINISTRATION
- 7 FOR PARTICIPATING EMPLOYERS AND EMPLOYEES;
- 8 (e) INCREASE THE AMOUNT OF RETIREMENT SAVINGS HELD BY
- 9 COLORADANS;
- 10 (f) PROVIDE PORTABILITY OF BENEFITS;
- 11 (g) OFFER LOW-COST, EFFICIENT INVESTMENTS TO EMPLOYEES;
- 12 AND
- 13 (h) CAN BE FINANCED WITHOUT IMPOSING ANY COSTS ON THE
- 14 STATE.

15 **24-54.3-106. Plan implementation authorization.** THE BOARD

16 SHALL NOT IMPLEMENT THE RECOMMENDED PLAN UNLESS THE GENERAL

17 ASSEMBLY, ACTING BY BILL, DIRECTS THE BOARD TO IMPLEMENT THE

18 PLAN. IF THE BOARD IS DIRECTED TO IMPLEMENT THE PLAN, IT SHALL

19 BEGIN IMPLEMENTATION BY A DATE SPECIFIED BY THE GENERAL ASSEMBLY

20 ACTING BY BILL.

21 **SECTION 3. Appropriation.** For the 2019-20 state fiscal year,

22 \$800,000 is appropriated to the department of treasury. This appropriation

23 is from the general fund. To implement this act, the department may use

24 this appropriation for operating expenses related to administration.

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

26 determines, and declares that this act is necessary for the immediate

27 preservation of the public peace, health, and safety.