

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 14-0353.01 Nicole Myers x4326

HOUSE BILL 14-1377

HOUSE SPONSORSHIP

Ferrandino and Buckner,

SENATE SPONSORSHIP

Steadman and Tochtrop,

House Committees

Business, Labor, Economic, & Workforce Development

Legislative Council

Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF THE COLORADO RETIREMENT**
102 **SECURITY TASK FORCE, AND, IN CONNECTION THEREWITH,**
103 **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://www.leg.state.co.us/billsummaries>.)

The bill creates the Colorado retirement security task force (task force) in the legislative branch to develop recommendations for increasing the percentage of residents in the state who have adequate retirement security.

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

HOUSE
3rd Reading Unamended
May 1, 2014

HOUSE
Amended 2nd Reading
April 30, 2014

The bill directs the task force to consider specified factors and develop certain recommendations in the course of its duties.

The membership of the task force is specified. The task force must meet beginning in the 2014 legislative interim and through December 2015, as necessary, as determined by the members of the task force. The task force is required to solicit and accept input from private citizens, state and local governmental entities, and public or private organizations to assist in the work of the task force. The legislative council staff is required to provide staff support to the task force.

The task force is required to submit a report, including recommendations to provide greater retirement security for state residents.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** part 18 to article
3 2 of title 2 as follows:

4 **PART 18**

5 **COLORADO RETIREMENT SECURITY TASK FORCE**

6 **2-2-1801. Legislative declaration.** (1) THE GENERAL ASSEMBLY
7 HEREBY FINDS AND DECLARES THAT:

8 (a) MORE THAN THIRTY-EIGHT MILLION WORKING-AGE AMERICAN
9 HOUSEHOLDS DO NOT HAVE ANY RETIREMENT ASSETS. FOR
10 NEAR-RETIREMENT HOUSEHOLDS, THE MEDIAN RETIREMENT ACCOUNT
11 BALANCE IS ONLY TWELVE THOUSAND DOLLARS AND THE AVERAGE
12 WORKING HOUSEHOLD HAS A MEDIAN ACCOUNT BALANCE OF ONLY THREE
13 THOUSAND DOLLARS.

14 (b) COLORADANS ARE LESS PREPARED FOR RETIREMENT TODAY
15 THAN IN PREVIOUS DECADES, AND THE OVERWHELMING MAJORITY OF
16 PEOPLE IN THE STATE ARE CONCERNED ABOUT THEIR ABILITY AND THEIR
17 CHILDREN'S ABILITY TO RETIRE;

18 (c) OLDER WORKERS ARE WORKING LONGER AND DELAYING THEIR
19 RETIREMENT AND AS A RESULT YOUNGER WORKERS HAVE FAR FEWER

1 OPPORTUNITIES FOR JOBS AND ADVANCEMENT IN THE WORKPLACE;

2 (d) MANY OF TODAY'S SENIORS RELY ON THEIR CHILDREN, WHO
3 ARE ALREADY STRUGGLING TO RAISE THEIR OWN FAMILIES, OR ON OTHER
4 SOCIAL SERVICES THAT ARE UNDERFUNDED;

5 (e) COLORADO'S YOUNGER WORKERS ARE DISPROPORTIONATELY
6 AFFECTED, WITH SIXTY-FOUR PERCENT OF WORKERS BETWEEN THE AGE OF
7 TWENTY-FIVE AND THIRTY-FOUR AND FIFTY PERCENT OF WORKERS
8 BETWEEN THE AGES OF THIRTY-FIVE AND THIRTY-NINE LACKING ACCESS
9 TO A RETIREMENT PLAN AT WORK;

10 (f) ONLY ONE IN FOUR WOMEN AGED SIXTY-FIVE AND OLDER AND
11 ALMOST FOUR IN TEN MEN AGED SIXTY-FIVE AND OLDER RECEIVE ANY
12 INCOME FROM PENSIONS AND RETIREMENT SAVINGS. WOMEN RECEIVE AN
13 AVERAGE OF NINE THOUSAND DOLLARS PER YEAR AND MEN RECEIVE AN
14 AVERAGE OF FIFTEEN THOUSAND THREE HUNDRED NINETY-SIX DOLLARS
15 PER YEAR.

16 (g) MINORITY HOUSEHOLDS HAVE TOO LITTLE ACCUMULATED
17 WEALTH TO TAP FOR RETIREMENT. WHITE HOUSEHOLDS HAVE OVER SIX
18 TIMES AS MUCH SAVED IN RETIREMENT ACCOUNTS AS HISPANIC AND
19 AFRICAN AMERICAN HOUSEHOLDS. THE MEDIAN HOUSEHOLD NET WORTH
20 OF HISPANIC AND AFRICAN AMERICAN HOUSEHOLDS IS LESS THAN
21 THIRTEEN PERCENT OF THE MEDIAN NET WEALTH OF WHITE HOUSEHOLDS,
22 WHICH TRANSLATES INTO AN AVERAGE NET WORTH OF ONE HUNDRED
23 TWENTY-THREE THOUSAND THREE HUNDRED EIGHTY DOLLARS FOR THE
24 AVERAGE WHITE FAMILY, COMPARED TO FIFTEEN THOUSAND DOLLARS FOR
25 HISPANIC FAMILIES AND FIFTEEN THOUSAND FIVE HUNDRED SEVENTY
26 DOLLARS FOR AFRICAN AMERICAN FAMILIES.

27 (h) ALMOST SIX OUT OF TEN COLORADO WORKERS IN THE PRIVATE

1 SECTOR LACK ACCESS TO A RETIREMENT PLAN AT WORK;

2 (i) IN COLORADO, EIGHTY PERCENT OF WORKERS IN SMALL FIRMS
3 WITH LESS THAN FIFTY EMPLOYEES LACK ACCESS TO A RETIREMENT PLAN
4 IN THE WORKPLACE, WITH EIGHTY-SIX PERCENT IN FIRMS WITH LESS THAN
5 ELEVEN EMPLOYEES LACKING ACCESS;

6 (j) FOR DECADES AMERICANS HAVE BUILT THEIR RETIREMENT
7 WITH TRADITIONAL PENSIONS, SOCIAL SECURITY, AND INDIVIDUAL
8 SAVINGS, BUT AMERICA'S RETIREMENT SYSTEM HAS UNRAVELED. MORE
9 THAN HALF OF AMERICAN WORKERS DO NOT HAVE ANY TYPE OF
10 EMPLOYER-SPONSORED RETIREMENT AND INDIVIDUAL SAVINGS PLANS ARE
11 NOT FILLING THE GAP AND HAVE PROVED RISKY AND UNRELIABLE.

12 (k) THE FUTURE OF COLORADO'S ECONOMIC GROWTH RELIES ON
13 OUR AGING POPULATION HAVING SUFFICIENT INCOME IN RETIREMENT SO
14 THEY CAN AFFORD TO LIVE INDEPENDENTLY AND HAVE QUALITY
15 HEALTHCARE. OUR SENIORS CONTRIBUTE SIGNIFICANTLY TO LOCAL
16 ECONOMIES THROUGHOUT THE STATE, AND THEIR RETIREMENT
17 INVESTMENT SPENDING PROVIDES STABILITY TO THOSE COMMUNITIES.

18 (l) COLORADO NEEDS A REMEDY TO THE RETIREMENT SECURITY
19 CRISIS SO THAT COLORADANS CAN LOOK FORWARD TO A RETIREMENT FREE
20 FROM FINANCIAL ANXIETY OR HARDSHIP; AND

21 (m) COLORADANS HAVE A HISTORY OF CREATING UNIQUE
22 SOLUTIONS TO THE CHALLENGES THAT THE STATE FACES. THE STATE HAS
23 AN OPPORTUNITY TO CRAFT A PLAN FOR THE FUTURE THAT CAN ENSURE
24 ALL COLORADANS HAVE THE ABILITY TO RETIRE.

25 (2) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT
26 IT IS THEREFORE IN THE BEST INTEREST OF THE STATE THAT THE GENERAL
27 ASSEMBLY ESTABLISH THE COLORADO RETIREMENT SECURITY TASK FORCE

1 TO STUDY RETIREMENT SECURITY OPTIONS THAT WOULD PROMOTE
2 GREATER RETIREMENT SECURITY FOR ALL COLORADANS, WITHOUT
3 IMPOSING MANDATES ON COLORADO BUSINESSES OR ITS CITIZENS.

4 **2-2-1802. Colorado retirement security task force - duties.**

5 (1) THE COLORADO RETIREMENT SECURITY TASK FORCE, REFERRED TO IN
6 THIS PART 18 AS THE "TASK FORCE", SHALL DEVELOP RECOMMENDATIONS
7 FOR INCREASING THE PERCENTAGE OF COLORADANS WHO ARE ENROLLED
8 IN A RETIREMENT PLAN THAT WILL PROVIDE FOR A SECURE RETIREMENT.
9 IN DEVELOPING ITS RECOMMENDATIONS, THE TASK FORCE SHALL
10 CONSIDER THE FOLLOWING FACTORS:

11 (a) THE BARRIERS TO RETIREMENT THAT INDIVIDUALS FACE,
12 INCLUDING LACK OF EDUCATION, LACK OF FINANCIAL ADVICE, LACK OF
13 FINANCIAL PLANNING, ISSUES RELATED TO GENDER, AND THE COMPLEXITY
14 OF RETIREMENT PLANNING CHOICES;

15 (b) THE ACCESS THAT EMPLOYEES OF PRIVATE SECTOR EMPLOYERS
16 HAVE TO EMPLOYER-SPONSORED RETIREMENT PLANS;

17 (c) THE TYPES OF EMPLOYER-SPONSORED RETIREMENT PLANS AND
18 INDIVIDUAL RETIREMENT PRODUCTS OFFERED IN THE STATE;

19 (d) ESTIMATES OF THE AVERAGE AMOUNT OF SAVINGS, PENSIONS,
20 AND OTHER FINANCIAL RESOURCES STATE RESIDENTS HAVE UPON
21 RETIREMENT; AND

22 (e) ESTIMATES OF THE AVERAGE AMOUNT OF SAVINGS, PENSIONS,
23 AND OTHER FINANCIAL RESOURCES THAT ARE RECOMMENDED FOR A
24 FINANCIALLY SECURE RETIREMENT IN THE STATE.

25 (2) IN ADDITION TO THE REQUIREMENTS OF SUBSECTION (1) OF THIS
26 SECTION, THE TASK FORCE SHALL DEVELOP RECOMMENDATIONS FOR
27 ESTABLISHING A ██████ SECURE RETIREMENT PLAN FOR EMPLOYEES OF

1 PRIVATE SECTOR EMPLOYERS. THE TASK FORCE SHALL CONSIDER, BUT
2 NEED NOT BE LIMITED TO, THE FOLLOWING IN MAKING ITS
3 RECOMMENDATIONS:

4 (a) POOLING RETIREMENT FUNDS;

5 (b) HOLDING ALL CONTRIBUTIONS TO THE PLAN IN A TRUST AND
6 INVESTING THEM IN A DIVERSIFIED PORTFOLIO OF ASSETS DESIGNED TO
7 PROVIDE LONG-TERM RETIREMENT SECURITY FOR THE PARTICIPANTS;

8 (c) GOVERNING THE TRUST THROUGH A BOARD OF TRUSTEES;

9 (d) ENABLING PARTICIPANTS AND EMPLOYERS TO CONTRIBUTE TO
10 THE RETIREMENT FUND;

11 (e) MAKING THE PLAN PORTABLE;

12 (f) PROVIDING FOR COLLECTIVE PROFESSIONAL MANAGEMENT OF
13 ASSETS OR OTHER DESIGNS FOR REDUCED INVESTMENT MANAGEMENT
14 COSTS;

15 (g) PROVIDING THAT THE PLAN TRUST FUNDS ARE USED SOLELY IN
16 THE INTEREST OF THE PARTICIPANTS AND FOR THE EXCLUSIVE PURPOSE OF
17 PROVIDING BENEFITS AND DEFRAYING REASONABLE EXPENSES INCURRED
18 IN PERFORMING SUCH DUTIES AS REQUIRED BY LAW;

19 (h) DEFINING APPROPRIATE FIDUCIARY STANDARDS AND
20 INVESTMENT POLICIES TO GUIDE THE INVESTMENT OF TRUST ASSETS TO
21 ACCOMPLISH LONG-TERM OBJECTIVES;

22 (i) PROVIDING OPTIONS FOR RETIREMENT BENEFITS TO BE
23 DISBURSED AS GUARANTEED, LIFETIME, MONTHLY AMOUNTS;

24 (j) PROVIDING FOR DISTRIBUTIONS OF RETIREMENT BENEFITS IN
25 THE EVENT OF PARTICIPANT RETIREMENT, DISABILITY, OR DEATH;

26 (k) OPTIONS THAT MAY INCLUDE A DEFINED CONTRIBUTION
27 STRUCTURE FOR RETIREMENT SAVINGS; AND

1 (1) ANY OTHER FACTORS THE TASK FORCE DEEMS RELEVANT OR
2 NECESSARY.

3 (3) IN CONNECTION WITH MAKING ITS RECOMMENDATIONS FOR
4 ESTABLISHING A █ SECURE RETIREMENT PLAN, THE TASK FORCE SHALL
5 ANALYZE THE POTENTIAL STATE SAVINGS IN PUBLIC ASSISTANCE
6 EXPENDITURES THAT WOULD RESULT FROM THE ADOPTION OF THE PLAN.

7 (4) IN DEVELOPING ITS RECOMMENDATIONS PURSUANT TO THIS
8 SECTION, THE TASK FORCE SHALL NOT:

9 (a) INCLUDE ANY GUARANTEE BY THE STATE OR CAUSE THE STATE
10 TO INCUR ANY LIABILITY OR OBLIGATION FOR ANY CONTRIBUTIONS OR ANY
11 DISBURSEMENTS TO PLAN PARTICIPANTS;

12 (b) INCLUDE ANY FINANCIAL OBLIGATION OR LIABILITY ON
13 PRIVATE SECTOR EMPLOYERS WHOSE EMPLOYEES PARTICIPATE IN THE
14 PLAN WITH REGARD TO INVESTMENT OR INVESTMENT PERFORMANCE OF
15 THE PLAN; OR

16 (c) INCLUDE ANY RECOMMENDATION THAT CONFLICTS WITH
17 FEDERAL LAW.

18 **2-2-1803. Colorado retirement security task force - creation.**

19 (1) THE COLORADO RETIREMENT SECURITY TASK FORCE IS HEREBY
20 CREATED IN THE LEGISLATIVE BRANCH. THE TASK FORCE CONSISTS OF
21 FIFTEEN MEMBERS AS FOLLOWS:

22 (a) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LABOR AND
23 EMPLOYMENT OR THE EXECUTIVE DIRECTOR'S DESIGNEE;

24 (b) THE EXECUTIVE DIRECTOR OF THE PUBLIC EMPLOYEES'
25 RETIREMENT ASSOCIATION OR THE EXECUTIVE DIRECTOR'S DESIGNEE;

26 (c) THE STATE TREASURER OR THE STATE TREASURER'S DESIGNEE;

27 (d) ONE PERSON WHO HAS EXPERIENCE WORKING IN HUMAN

1 SERVICES TO BE APPOINTED BY THE GOVERNOR;

2 (e) FIVE MEMBERS TO BE APPOINTED BY THE SPEAKER OF THE
3 HOUSE OF REPRESENTATIVES AS FOLLOWS:

4 (I) ONE PERSON WHO IS A DESIGNEE OF THE SPEAKER OF THE
5 HOUSE OF REPRESENTATIVES;

6 (II) ONE PERSON WHO IS A PRIVATE SECTOR EMPLOYER IN THE
7 STATE WITH FEWER THAN FIFTY EMPLOYEES;

8 (III) ONE PERSON WHO IS AN EMPLOYEE OF A PRIVATE SECTOR
9 EMPLOYER IN THE STATE AND WHO IS OVER FORTY YEARS OF AGE;

10 (IV) ONE PERSON WHO IS A REPRESENTATIVE OF AN ORGANIZATION
11 THAT REPRESENTS EMPLOYERS;

12 (V) ONE PERSON WHO IS A REPRESENTATIVE FROM A NONPROFIT
13 ORGANIZATION THAT HAS EXPERIENCE WITH FISCAL AND STATEWIDE
14 POLICY ISSUES;

15 (f) FOUR MEMBERS TO BE APPOINTED BY THE PRESIDENT OF THE
16 SENATE AS FOLLOWS:

17 (I) ONE PERSON WHO IS A DESIGNEE OF THE PRESIDENT OF THE
18 SENATE;

19 (II) ONE PERSON WHO IS A PRIVATE SECTOR EMPLOYER IN THE
20 STATE WITH MORE THAN ONE HUNDRED EMPLOYEES;

21 (III) ONE PERSON WHO IS AN EMPLOYEE OF A PRIVATE SECTOR
22 EMPLOYER IN THE STATE AND WHO IS UNDER FORTY YEARS OF AGE AT THE
23 TIME OF HIS OR HER APPOINTMENT;

24 (IV) ONE PERSON WHO IS A REPRESENTATIVE OF AN ORGANIZATION
25 THAT REPRESENTS EMPLOYEES;

26 (g) ONE PERSON TO BE APPOINTED BY THE MINORITY LEADER OF
27 THE HOUSE OF REPRESENTATIVES; AND

1 (h) ONE PERSON TO BE APPOINTED BY THE MINORITY LEADER OF
2 THE SENATE.

3 (2) IN ADDITION TO THE TASK FORCE MEMBERS SPECIFIED IN
4 SUBSECTION (1) OF THIS SECTION, THE STATE DEMOGRAPHER SHALL BE AN
5 EX OFFICIO MEMBER OF THE TASK FORCE. THE STATE DEMOGRAPHER MAY
6 SIT WITH THE TASK FORCE AND PARTICIPATE IN DISCUSSIONS OF THE TASK
7 FORCE BUT IS NOT ALLOWED TO VOTE OR MAKE A MOTION ON ANY MATTER
8 THAT COMES BEFORE THE TASK FORCE.

9 (3) ALL APPOINTMENTS TO THE TASK FORCE AS REQUIRED BY
10 SUBSECTION (1) OF THIS SECTION SHALL BE MADE BY JULY 1, 2014. IN
11 MAKING APPOINTMENTS AS REQUIRED BY SUBSECTION (1) OF THIS
12 SECTION, THE GOVERNOR, THE SPEAKER OF THE HOUSE OF
13 REPRESENTATIVES, AND THE PRESIDENT OF THE SENATE SHALL SEEK
14 APPOINTEES WITH FINANCIAL AND FISCAL EXPERTISE.

15 (4) IF THERE IS A VACANCY ON THE TASK FORCE FOR ANY CAUSE,
16 THE APPOINTING AUTHORITY DESIGNATED IN SUBSECTION (1) OF THIS
17 SECTION SHALL MAKE AN APPOINTMENT AS SOON AS POSSIBLE TO BECOME
18 IMMEDIATELY EFFECTIVE.

19 (5) A MAJORITY OF THE MEMBERS OF THE TASK FORCE
20 CONSTITUTES A QUORUM FOR THE TRANSACTION OF BUSINESS.

21 (6) THE MEMBERS OF THE TASK FORCE SELECT A CHAIR AND
22 VICE-CHAIR OF THE TASK FORCE BY A TWO-THIRDS VOTE OF THE MEMBERS
23 OF THE TASK FORCE.

24 (7) THE TASK FORCE SHALL MEET AS NECESSARY, AS DETERMINED
25 BY THE MEMBERS OF THE TASK FORCE, BEGINNING AFTER THE SECOND
26 REGULAR SESSION OF THE SIXTY-NINTH GENERAL ASSEMBLY AND
27 THROUGH DECEMBER 2015. THE TASK FORCE SHALL HOLD ITS FIRST

1 MEETING ON OR BEFORE AUGUST 1, 2014.

2 (8) THE TASK FORCE SHALL INVITE PRIVATE CITIZENS,
3 REPRESENTATIVES FROM STATE AND LOCAL GOVERNMENTAL ENTITIES,
4 AND REPRESENTATIVES FROM PUBLIC OR PRIVATE ORGANIZATIONS TO
5 PARTICIPATE AND ASSIST IN THE MEETINGS OF THE TASK FORCE, AS
6 DEEMED NECESSARY AND APPROPRIATE BY THE MEMBERS OF THE TASK
7 FORCE. THE TASK FORCE MAY ALSO SOLICIT AND ACCEPT REPORTS,
8 WRITTEN COMMENTS, PUBLIC TESTIMONY, AND OTHER INFORMATION,
9 ADVICE, OR DATA AS THE MEMBERS OF THE TASK FORCE DEEM RELEVANT
10 AND NECESSARY TO PERFORM THE DUTIES OF THE TASK FORCE.

11 (9) MEMBERS OF THE TASK FORCE SERVE WITHOUT COMPENSATION
12 AND ARE NOT ENTITLED TO REIMBURSEMENT FOR EXPENSES. THIS
13 SUBSECTION (9) DOES NOT PREVENT MEMBERS OF THE TASK FORCE FROM
14 RECEIVING THEIR REGULAR SALARY IF THEY PARTICIPATE IN TASK FORCE
15 MEETINGS DURING THEIR REGULAR BUSINESS HOURS.

16
17 (10) THE LEGISLATIVE COUNCIL STAFF SHALL PROVIDE STAFF
18 SUPPORT TO THE TASK FORCE.

19 **2-2-1804. Report.** (1) ON OR BEFORE DECEMBER 1, 2015, THE
20 TASK FORCE SHALL SUBMIT A REPORT TO THE MEMBERS OF THE GENERAL
21 ASSEMBLY WITH THE RECOMMENDATIONS AND ANALYSES REQUIRED BY
22 SECTION 2-2-1802. IN ADDITION, THE TASK FORCE SHALL MAKE
23 RECOMMENDATIONS FOR LEGISLATION NECESSARY TO IMPLEMENT THE
24 RECOMMENDATIONS CONTAINED IN THE REPORT.

25 (2) THE TASK FORCE MAY WORK WITH, CONTRACT WITH, AND
26 ENTER INTO AGREEMENTS TO DEVELOP ITS RECOMMENDATIONS UNDER
27 THIS SECTION.

1 **2-2-1805. Repeal of part.** THIS PART 18 IS REPEALED, EFFECTIVE
2 JUNE 30, 2016.

3 **SECTION 2. Appropriation.** In addition to any other
4 appropriation, there is hereby appropriated, out of any moneys in the
5 general fund not otherwise appropriated, to the legislative department, for
6 the fiscal year beginning July 1, 2014, the sum of \$21,816 and 0.3 FTE,
7 or so much thereof as may be necessary, to be allocated for
8 implementation of this act as follows:

9 (a) \$18,414 and 0.3 FTE for legislative council for personal
10 services; and

11 (b) \$3,402 for the general assembly for legislator reimbursement.

12 **SECTION 3. Safety clause.** The general assembly hereby finds,
13 determines, and declares that this act is necessary for the immediate
14 preservation of the public peace, health, and safety.