A BILL FOR AN ACT

CONCERNING THE CREATION OF THE COLORADO RETIREMENT SECURITY TASK FORCE.

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 study, assess, and report on the factors that affect Coloradans' ability to save for a financially secure retirement and on the feasibility of creating a retirement savings plan for private sector employees.

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 2015 legislative interim and through December 2016, 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 2 reports to the general assembly regarding the factors that affect Coloradans' ability to save for a financially secure retirement and on the feasibility of creating a retirement savings plan for private sector employees.

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

SECTION 1. In Colorado Revised Statutes, add part 19 to article 2 of title 2 as follows:

PART 19

COLORADO RETIREMENT SECURITY TASK FORCE

2-2-1901. Legislative declaration. (1) The General Assembly hereby finds and declares that:

(a) More than thirty-eight million working-age American households do not have any retirement assets. For near-retirement households, the median retirement account balance is only twelve thousand dollars and the average working household has a median account balance of only three thousand dollars.

(b) Coloradans are less prepared for retirement today than in previous decades, and the overwhelming majority of people in the state are concerned about their ability and their children's ability to retire;

(c) Older workers are working longer and delaying their retirement and as a result younger workers have far fewer

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(d) 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;

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

(f) Only one in four women aged sixty-five and older and almost four in ten men aged sixty-five and older receive any income from pensions and retirement savings. Women receive an average of nine thousand dollars per year and men receive an average of fifteen thousand three hundred ninety-six dollars per year.

(g) Minority households have too little accumulated wealth to tap for retirement. White households have over six times as much saved in retirement accounts as Hispanic and African American households. The median household net worth of Hispanic and African American households is less than thirteen percent of the median net wealth of white households, which translates into an average net worth of one hundred twenty-three thousand three hundred eighty dollars for the average white family, compared to fifteen thousand dollars for Hispanic families and fifteen thousand five hundred seventy dollars for African American families.

(h) Almost six out of ten Colorado workers in the private
SECTOR LACK ACCESS TO A RETIREMENT PLAN AT WORK;

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

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

(k) 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.

(l) 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

(m) 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 RETIRE.

(2) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT IT IS THEREFORE IN THE BEST INTEREST OF THE STATE THAT THE GENERAL ASSEMBLY ESTABLISH THE COLORADO RETIREMENT SECURITY TASK FORCE
TO STUDY RETIREMENT SECURITY OPTIONS THAT WOULD PROMOTE
GREATER RETIREMENT SECURITY FOR ALL COLORADANS.

2-2-1902. Colorado retirement security task force - duties -
definition. (1) The Colorado retirement security task force,
referred to in this part 19 as the "task force", has the following
duties:

(a) To study, assess, and report on the factors that affect
Coloradans' ability to save for a financially secure retirement.
In studying this issue and in producing a report pursuant to this
paragraph (a), the task force shall consider the following
factors:

(I) The barriers to retirement that individuals face,
including lack of education, lack of financial advice, lack of
financial planning, issues related to gender, and the complexity
of retirement planning choices;

(II) The access that employees of private sector
employers have to employer-sponsored retirement plans;

(III) The types of employer-sponsored retirement plans
and individual retirement products offered in the state;

(IV) Estimates of the average amount of savings, pensions,
and other financial resources state residents have upon
retirement; and

(V) Estimates of the average amount of savings, pensions,
and other financial resources that are recommended for a
financially secure retirement in the state.

(b) To study, assess, and report on the feasibility of
creating a retirement savings plan for private sector employees
THAT:

(I) ALLOWS PRIVATE SECTOR EMPLOYEES TO CONTRIBUTE TO A PLAN THAT POOLS ALL CONTRIBUTIONS, HOLDS THEM IN A TRUST, AND INVESTS THEM IN A DIVERSIFIED PORTFOLIO OF ASSETS DESIGNED TO PROVIDE LONG-TERM RETIREMENT SECURITY FOR THE PARTICIPANTS;

(II) PROVIDES FOR COLLECTIVE MANAGEMENT OF THE PLAN'S ASSETS BY PROFESSIONAL INVESTMENT MANAGERS INCLUDING MEASURES TO REDUCE INVESTMENT MANAGEMENT COSTS;

(III) MAKES THE PLAN PORTABLE;

(IV) INCLUDES OPTIONS FOR RETIREMENT BENEFITS TO BE DISBURSED AS GUARANTEED, LIFETIME, MONTHLY AMOUNTS WHEN THE PARTICIPANT RETIRES OR BECOMES DISABLED;

(V) DEFINES APPROPRIATE FIDUCIARY STANDARDS AND INVESTMENT POLICIES TO GUIDE THE INVESTMENT OF TRUST ASSETS TO ACCOMPLISH THE PLAN'S LONG-TERM OBJECTIVES; AND

(VI) INCLUDES OPTIONS FOR DEFINED CONTRIBUTION AND DEFINED BENEFIT STRUCTURES.

(2) IN DEVELOPING ITS REPORT PURSUANT TO THIS SECTION, THE TASK FORCE SHALL NOT:

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

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

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

2-2-1903. Colorado retirement security task force - creation.

(1) THE COLORADO RETIREMENT SECURITY TASK FORCE IS HEREBY
created in the legislative branch. The task force consists of
fifteen members as follows:

(a) The executive director of the department of labor and
employment or the executive director's designee;
(b) The executive director of the public employees'
retirement association or the executive director's designee;
(c) Three members to be appointed by the governor as
follows:
   (I) one person who has experience working in human
       services;
   (II) one person who is an employee of a nonprofit
        organization in the state; and
   (III) one person who is a private sector employer in the
        state with fewer than fifty employees;
(d) four members to be appointed by the speaker of the
    house of representatives as follows:
   (I) one person who is a designee of the speaker of the
       house of representatives;
   (II) one person who is an employee of a private sector
        employer in the state and who is under forty years of age at the
        time of his or her appointment;
   (III) one person who is a representative of an organization
        that represents employees; and
   (IV) one person who is a representative from a nonprofit

ORGANIZATION THAT HAS EXPERIENCE WITH FISCAL AND STATEWIDE
POLICY ISSUES;

(e) FOUR MEMBERS TO BE APPOINTED BY THE PRESIDENT OF THE
SENATE AS FOLLOWS:

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

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

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

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

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

(g) ONE PERSON TO BE APPOINTED BY THE MINORITY LEADER OF
THE SENATE.

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

(3) ALL APPOINTMENTS TO THE TASK FORCE AS REQUIRED BY
SUBSECTION (1) OF THIS SECTION SHALL BE MADE BY JULY 1, 2015. IN
MAKING APPOINTMENTS AS REQUIRED BY SUBSECTION (1) OF THIS
SECTION, THE GOVERNOR, THE SPEAKER OF THE HOUSE OF
REPRESENTATIVES, THE PRESIDENT OF THE SENATE, AND THE MINORITY
LEADERS OF THE HOUSE OF REPRESENTATIVES AND THE SENATE SHALL
SEEK APPOINTEES WITH FINANCIAL AND FISCAL EXPERTISE.

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

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

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

(7) THE TASK FORCE SHALL MEET AS NECESSARY, AS DETERMINED
BY THE MEMBERS OF THE TASK FORCE, BEGINNING AFTER THE FIRST
REGULAR SESSION OF THE SEVENTIETH GENERAL ASSEMBLY AND THROUGH
DECEMBER 2016. THE TASK FORCE SHALL HOLD ITS FIRST MEETING ON OR
BEFORE AUGUST 1, 2015.

(8) THE TASK FORCE SHALL INVITE PRIVATE CITIZENS,
REPRESENTATIVES FROM STATE AND LOCAL GOVERNMENTAL ENTITIES,
AND REPRESENTATIVES FROM PUBLIC OR PRIVATE ORGANIZATIONS TO
PARTICIPATE AND ASSIST IN THE MEETINGS OF THE TASK FORCE, AS
DEEMED NECESSARY AND APPROPRIATE BY THE MEMBERS OF THE TASK
FORCE. THE TASK FORCE MAY ALSO SOLICIT AND ACCEPT REPORTS,
WRITTEN COMMENTS, PUBLIC TESTIMONY, AND OTHER INFORMATION,
ADVICE, OR DATA AS THE MEMBERS OF THE TASK FORCE DEEM RELEVANT
AND NECESSARY TO PERFORM THE DUTIES OF THE TASK FORCE. THE TASK
FORCE MAY BREAK INTO SUBCOMMITTEES TO CONDUCT ITS WORK.
MEMBERS OF THE TASK FORCE SERVE WITHOUT COMPENSATION AND ARE NOT ENTITLED TO REIMBURSEMENT FOR EXPENSES. THIS SUBSECTION (9) DOES NOT PREVENT MEMBERS OF THE TASK FORCE FROM RECEIVING THEIR REGULAR SALARY IF THEY PARTICIPATE IN TASK FORCE MEETINGS DURING THEIR REGULAR BUSINESS HOURS.

THE LEGISLATIVE COUNCIL STAFF SHALL PROVIDE STAFF SUPPORT TO THE TASK FORCE.

2-2-1904. Report. (1) On or before March 1, 2016, the task force shall submit a report to the members of the general assembly summarizing the factors that affect Coloradans’ ability to save for a financially secure retirement as required by section 2-2-1902 (1) (a).

(2) On or before September 30, 2016, the task force shall submit a report to the members of the general assembly regarding the feasibility of creating a retirement savings plan for private sector employees as required by section 2-2-1902 (1) (b). The task force shall include in the report any recommendations to the general assembly regarding the creation of a retirement savings plan for private sector employees.

(3) The task force may work with, contract with, and enter into agreements to develop its reports and recommendations pursuant to subsections (1) and (2) of this section.

2-2-1905. Repeal of part. This part 19 is repealed, effective June 30, 2017.

SECTION 2. 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.