

**SENATE . . . . . No. 1637**

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**The Commonwealth of Massachusetts**

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PRESENTED BY:

***James B. Eldridge***

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*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

**An Act providing retirement options for private sector employees.**

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PETITION OF:

NAME:

*James B. Eldridge*

DISTRICT/ADDRESS:

*Middlesex and Worcester*

**SENATE . . . . . No. 1637**

By Mr. Eldridge, a petition (accompanied by bill, Senate, No. 1637) of James B. Eldridge for legislation to provide retirement options for private sector employees. State Administration and Regulatory Oversight.

**The Commonwealth of Massachusetts**

**In the One Hundred and Eighty-Ninth General Court  
(2015-2016)**

An Act providing retirement options for private sector employees.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. Chapter 29 of the General Laws, as appearing in the 2012 Official Edition,  
2 is hereby amended by inserting after section 64E the following section:-

3 SECTION 64F. (a) As used in this section, the term “private sector” shall include eligible  
4 organizations under the Internal Revenue Code, in this section called the Code, excluding  
5 organizations incorporated under section 501(c) of the Code.

6 (b) The state treasurer may conduct research regarding the current status of retirement  
7 programs available to private sector employees in the commonwealth and the appeal of creating  
8 a separate retirement program for their benefit.

9 (c) The treasurer and receiver general, on behalf of the commonwealth, shall sponsor a  
10 qualified defined contribution plan within the meaning of section 414(i) of the Code, that may be  
11 adopted by private sectors employers for their employees in accordance with section 401(a) of  
12 the Code, regulations provided under that section and applicable guidance from the Internal

13 Revenue Service. The treasurer shall obtain approval from the Internal Revenue Service with  
14 respect to the plan and shall ensure the administration of the plan is in compliance with the Code  
15 and other applicable federal and state laws including the Employee Retirement Income Security  
16 Act of 1974, in this section called ERISA.

17 (d) In order to participate in the plan, a private sector employer shall execute a  
18 participation agreement, agree to the terms of the plan and operate the plan in compliance with  
19 the Code and ERISA. The treasurer may require that the private sector employer sign a service  
20 agreement and use forms and procedures prescribed by the treasurer. The treasurer may also  
21 require that certain employers seek approval of their plans from the Internal Revenue Service.

22 (e) The treasurer shall appoint a director to oversee the enrollment of private sector  
23 employees in the state retirement system. The director will provide assistance to the treasurer,  
24 private sector employers that participate in the plan and their employees. The director's duties do  
25 not limit the authority of the Pension Reserves Investment Management Board to conduct its  
26 responsibilities for asset management and balancing of program funds.

27 (f) There shall be established an advisory committee to facilitate the expansion of the  
28 state retirement system to private sector employees. The advisory committee shall consist of the  
29 State Treasurer (who shall serve as Chair), the Secretary of Administration and Finance or their  
30 designee, the State Comptroller or their designee, a retirement savings and investment expert  
31 selected by the Joint Committee on Financial Services, two employee representatives selected by  
32 the by the Joint Committee on Financial Services, two small business representatives appointed  
33 by the Governor, and two public members appointed by the Governor. The advisory committee  
34 shall meet from time to time and assist the treasurer in the development of general policy

35 regarding the program, and shall provide technical advice and input to the state treasurer. The  
36 members of the advisory committee shall serve without compensation, but shall be reimbursed  
37 for necessary expenses incurred in the performance of their duties.

38 (g) All private sector employees that are employed by employers who have agreed to  
39 participate in the state retirement plan shall be required to enroll in this program unless they opt  
40 out. Employers with employees enrolled in the program are authorized to contract with the  
41 enrolled employees to defer or contribute a portion of the enrolled employees' compensation, in  
42 accordance with the program rules.

43 (h) The director shall report biennially to the relevant committees of the legislature on the  
44 effectiveness and efficiency of the program, including the levels of enrollment, the financial  
45 status of the program, and the retirement savings levels of participating enrollees.

46 (i) Enrollment in the program is not an entitlement and must not result in expenditures  
47 that exceed the amount available in the Massachusetts voluntary retirement accounts program  
48 administrative account. If it appears that continued enrollment will result in expenditures  
49 exceeding the amount available for a particular fiscal year, the director may freeze new  
50 enrollments in the program and establish a waiting list of eligible workers, or reduce enrollments.

51 (j) The treasurer is hereby authorized to adopt rules and regulations related to this section  
52 and do all things convenient to carry out the provisions and purposes of this section.