

**SENATE . . . . . No. 1701**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

***James B. Eldridge***

*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.**

PETITION OF:

NAME:

*James B. Eldridge*

DISTRICT/ADDRESS:

*Middlesex and Worcester*

**SENATE . . . . . No. 1701**

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By Mr. Eldridge, a petition (accompanied by bill, Senate, No. 1701) of James B. Eldridge for legislation to provide retirement options for private sector employees. State Administration and Regulatory Oversight.

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**The Commonwealth of Massachusetts**

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**In the One Hundred and Ninetieth General Court  
(2017-2018)**  
\_\_\_\_\_

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 benefit of creating  
8 a separate retirement program for private sector employees.

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 sector employers for their employees in accordance with section 401(a) of the  
12 code, regulations provided under that section and applicable guidance from the Internal Revenue

13 Service. The treasurer shall obtain approval from the Internal Revenue Service with respect to  
14 the plan and shall ensure the administration of the plan is in compliance with the code and other  
15 applicable federal and state laws including the Employee Retirement Income Security Act of  
16 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 following members: the state treasurer, who shall serve as chair; the secretary of administration  
30 and finance or a designee; the state comptroller or a designee; 3 members appointed by the  
31 senate and house chairs of the joint committee on financial services, 1 of whom will be a  
32 retirement savings and investment expert, and 2 of whom will be employee representatives and  
33 4 members appointed by the governor, 2 of whom shall be small business representatives, and 2  
34 of whom shall be members of the public. The advisory committee shall meet from time to time

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

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

44 (h) The director shall report biennially to the chairs of the joint committee on financial  
45 services on the effectiveness and efficiency of the program, including the levels of enrollment,  
46 the financial status of the program, and the retirement savings levels of participating enrollees.

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

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