HOUSE DOCKET, NO. 343 FILED ON: 1/20/2021

HOUSE . . . . . No. 2643

The Commonwealth of Massachusetts

PRESENTED BY:

Ann-Margaret Ferrante

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 relative to the SMART Plan.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
Ann-Margaret Ferrante	*5th Essex*	*1/20/2021*

HOUSE DOCKET, NO. 343 FILED ON: 1/20/2021

HOUSE . . . . . No. 2643

By Ms. Ferrante of Gloucester, a petition (accompanied by bill, House, No. 2643) of Ann-Margaret Ferrante relative to employees whose compensation is sourced from the deferred compensation program SMART Plan. Public Service.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. *2251* OF 2019-2020.]

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Second General Court
(2021-2022)

An Act relative to the SMART Plan.

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

SECTION 1. Section 64 of chapter 29 of the General Laws, as appearing in the 2016 Official Edition, is hereby amended by striking, in line 31, the words “independent contractors” and inserting in place thereof the following:- “contracted employees”

SECTION 2. Said section 64 of said chapter 29 of the General Laws, as so appearing, is hereby further amended by inserting at the end thereof the following paragraphs:-

“The state treasurer, on behalf of the deferred compensation program, may adopt annual budgets and supplemental budgets as necessary. Said budgets may include salaries for treasury employees tasked with working on and/or administering the deferred compensation program, and said budgets may be funded from the administrative expense account of the deferred

compensation program. Any such treasury employee whose compensation is sourced from the deferred compensation program shall be an "employee" as that term is defined in section 1 of chapter 32 and shall be a member of the Massachusetts state employees' retirement system.

The state treasurer, on behalf of commonwealth, may establish an automatic enrollment feature within the deferred compensation program. The automatic enrollment feature does not require advance authorization by an employee, and is hereby deemed to be an exception to the provisions of the Massachusetts Wage Act or any other state law requiring employee authorization for a payroll deduction or any similar ordinance of a governmental body. The details of the automatic enrollment feature shall be set forth in the deferred compensation plan document and shall include:

(a) A provision that automatic enrollment shall apply only to new employees of the commonwealth hired on or after June 1, 2017;

(b) A provision that automatic enrollment shall apply only to new employees of a "governmental body", as defined in section 64B of chapter 29, the governmental body chooses the automatic enrollment feature for its employees;

(c) A provision that automatic enrollment may not require more than an established maximum contribution per pay period per automatically-enrolled employee;

(d) A provision that the amount of compensation deferred by an automatically-enrolled employee shall automatically increase by a specified amount each year unless the participating employee elects not to participate in auto escalation or elects to defer a different amount than specified;

(e) A provision that an employee who is automatically enrolled shall have as long as ninety days after the start of employment to discontinue participation in the plan;

(f) A provision that an automatically-enrolled employee who discontinues participation in the plan within ninety days of enrollment shall receive a refund of their account as soon as practicable after discontinuing participation;

(g) A provision that the plan shall specify a designated investment option to receive contributions by any automatically-enrolled employee who does not choose an investment alternative to receive the employee's contributions; and

(h) A provision that the plan shall adhere to notice requirements to automatically-enrolled participants in accordance with Internal Revenue Service Rulings 98-30 and 2000-8."

SECTION 3. Section 64B of chapter 29 of the General Laws, as appearing in the 2016 Official Edition, is hereby amended by inserting, in line 45, after the words "under this section" the following:- ", and in the event the treasurer or chief financial officer makes such an election, the governmental body may be subject to the automatic enrollment feature of the deferred compensation program pursuant to the ninth paragraph of section 64 of chapter 29"