

Joint Committee on Financial Services
The 194th General Court of the Commonwealth of Massachusetts
2025-2026
Bill Summary

Bill No: H1184

Title: An Act to amend the insurance law, in relation to providing protection to certain retirees from pension de-risking transactions

Sponsor: Rep. Ryan M. Hamilton

Hearing Date: May 13, 2025

Reporting Date: July 12, 2025

Similar Matters: N/A

Prior History: H476 (2017-2018) Study

Current Law:

No law addressing pension de-risking. Pension de-risking is a term used to describe a financial transaction where a defined pension plan sponsor transfers risk by either offering pension plan participants a lump sum payment or the purchase of group annuity contracts, usually from a private insurance company.

[De-Risking explained](#)

Adds a new section in Chapter 175

Summary:

Puts safe-guards in place so retirees can be guaranteed of financial protection in the event their pension plan becomes subject to a de-risking transaction. New law applies to insurance company or other benefit provider that issues a group annuity contract. Some of the protections provided by this legislation include:

1. **Regulatory Approval:** All pension de-risking transactions that divest retirees of ERISA protections shall be approved by the Commissioner of the Department of Insurance prior to implementation.
2. **Third-Party Guaranty or Reinsurance:** All de-risking transactions shall include supplemental protections in the form of a third party guarantee or reinsurance contract designed to equal the scope and breadth of coverage provided by the PBGC.
3. **Mandatory Disclosures:** Mandatory disclosures by the benefit provider to all retirees whose benefits are transferred in a pension de-risking or annuitization transaction to an insurance company or other benefit provider. In disclosure, details loss of federal ERISA protections.

4. Opt out Option: Retirees subject to pension de-risking transactions shall receive at least 90 days prior written notice and an opportunity to opt out from any pension de-risking transaction that attempts to transfer retiree benefits from an ERISA protected plan to a substitute pension benefit provider governed under state law.
5. Annuity payments are not subject to creditors if insurance company goes bankrupt.
6. Retirees have right for lump-sum payout if receive financial advice if pension was purchased by an insurance company.
7. No group annuity contract can be transferred without prior approval by the Commissioner.