



**Remarks of Andrew J. Remo  
on behalf of the  
American Retirement Association**

**Connecticut Labor and Public Employees Hearing on  
The Connecticut Retirement Security Program Act (H.B. 5591)  
March 8, 2016**

Thank you, Co-Chair Gomes and Co-Chair Tercyak, and members of the Joint Labor and Public Employees Committee for the opportunity to speak with you today about H.B. 5591, an act creating the Connecticut Retirement Security Program. My name is Andrew Remo, and I represent the American Retirement Association.

The American Retirement Association is an organization representing more than 25,000 retirement plan professionals nationwide, with over 330 members here in Connecticut. Our members provide consulting and administrative services for qualified retirement plans covering millions of American workers.

The ARA has consistently and actively supported auto-IRA and other proposals to expand retirement plan coverage in the private workforce. Auto-IRA legislation typically requires employers over a certain size who do not offer any other retirement savings arrangement to automatically enroll employees in a state-based auto-IRA program. The ARA believes that this approach increases access to – and use of – payroll deduction retirement savings while placing as minimal a burden as possible on *both* the employer *and* the state.

The ARA, then known as ASPPA, worked closely with House Majority Leader Aresimowicz and Senate President Looney, and strongly supported legislation enacted in 2014 that created the Connecticut Retirement Security Board to study the feasibility of a state-based auto-IRA program and to create a proposal to implement such a program. H.B. 5591 is the product of the Board's hard work and represents a step forward in this process.

While the ARA believes H.B. 5591 is a well-intended attempt to address the coverage issue that we would very much like to support, we *cannot* support the legislation in its current form.

The problem with H.B. 5591 is that it does not exclude employers who sponsor a retirement program governed by federal law from state coverage requirements. Instead, it creates a new set of state retirement plan rules that apply to *all* Connecticut employers – even those employers who already provide a retirement plan to their employees. These new state rules – layered on top of the existing federal rules these employers are already following – are confusing, and costly.

The ARA feels strongly that no employer with a retirement plan should be subject to two sets of rules. It is one thing to require employers that are not doing anything to offer access to payroll deduction savings to their workers. It is quite another to penalize well-meaning small businesses that currently have plans by subjecting them to confusing new state requirements that conflict with federal law.

Thank you and I will be happy to answer any questions that you may have.