

1 State of Arkansas
2 91st General Assembly
3 Regular Session, 2017
4

As Engrossed: S3/7/17

A Bill

SENATE BILL 236

5 By: Senators Files, *Maloch, B. Sample*
6 By: Representatives Leding, *Bragg, Warren*
7

For An Act To Be Entitled

9 AN ACT TO ESTABLISH A SMALL BUSINESS RETIREMENT
10 PROGRAM IN ARKANSAS; TO DECLARE AN EMERGENCY; AND FOR
11 OTHER PURPOSES.
12
13

Subtitle

15 TO ESTABLISH A SMALL BUSINESS RETIREMENT
16 PROGRAM IN ARKANSAS; AND TO DECLARE AN
17 EMERGENCY.
18
19

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
21

22 *SECTION 1. TEMPORARY LANGUAGE. DO NOT CODIFY. Legislative findings.*

23 *The General Assembly finds that:*

24 *(1) There is a retirement savings crisis in Arkansas;*

25 *(2) According to the National Institute on Retirement Security,*
26 *the average household saves only two thousand five hundred dollars (\$2,500)*
27 *for retirement;*

28 *(3) The amount an average household saves for retirement is due*
29 *largely to the unavailability of a payroll deduction retirement plan for*
30 *workers;*

31 *(4) An employee is fifteen (15) times more likely to save for*
32 *retirement if the amount to be saved is removed from the employee's regular*
33 *paycheck;*

34 *(5) Five hundred thirty thousand (530,000) citizens of Arkansas*
35 *lack access to a workplace retirement savings plan;*

36 *(6) Although there are numerous available options, only five*



1 percent (5%) of individuals who do not have access to a payroll deduction
2 plan open their own individual retirement account;

3 (7) An employee who is unable to effectively build retirement
4 savings is at risk of living on low income as a retiree and is more likely to
5 depend on social safety-net programs;

6 (8) Dependency on social safety-net programs costs taxpayer
7 dollars down the line;

8 (9) Small businesses often choose not to offer a retirement plan
9 to employees due to concerns about costs, complexity, time burdens, and
10 potential liability;

11 (10) In response to the apprehensions of small businesses, the
12 Arkansas Small Business Voluntary Retirement Program should be established;

13 (11) The program will assist small businesses by relieving
14 entrepreneurs of the operational burden of running a retirement plan;

15 (12) Voluntary payroll deduction individual retirement accounts
16 through public and private partnership should be established as part of the
17 program;

18 (13) The deduction will enable small business owners to
19 voluntarily offer their employees access to the program, which will provide
20 low-cost, professionally managed, diversified investment options;

21 (14) Many private financial services firms in Arkansas offer
22 high-quality retirement options for small businesses and their employees;

23 (15) The Arkansas Small Business Voluntary Retirement
24 Marketplace will supplement the program by educating small businesses on the
25 availability of low-cost retirement plans and investment products; and

26 (16) The program will help Arkansas close the retirement savings
27 access gap, protect the fiscal stability of the state and its citizens well
28 into the future, and further secure its place as a national leader in
29 retirement and investor promotion and protection.

30
31 SECTION 2. Arkansas Code Title 11 is amended to add an additional
32 chapter to read as follows:

33
34 CHAPTER 16

35 ARKANSAS SMALL BUSINESS VOLUNTARY RETIREMENT PROGRAM

36

1 11-16-101. Definitions.

2 As used in this chapter:

3 (1) "Administrative costs" means all costs, including without
4 limitation, administrative expenses, employee wages or salaries, insurance
5 expenses, investment expenses, accounting costs, actuarial costs, legal
6 costs, marketing expenses, education expenses, investment advice costs,
7 trading costs, and insurance annuitization costs;

8 (2) "Automatic escalation" means a participating employee's
9 election to automatically increase contributions to his or her retirement
10 savings account in the Arkansas Small Business Voluntary Retirement Program;

11 (3) "Employee" means an individual who is eighteen (18) years of
12 age or older and is employed by a small nongovernmental employer and has
13 wages that are subject to the Income Tax Act of 1929;

14 (4) "Enrollee" means an employee who enrolls in an investment
15 product offered through the Arkansas Small Business Voluntary Retirement
16 Marketplace;

17 (5) "Investment product" means an annuity, savings
18 account, certificate of deposit, money market account, bond, mutual fund, or
19 another form of investment not prohibited by the Internal Revenue Code of
20 1986 and authorized by the program;

21 (6) "Nonparticipating employer" means a small nongovernmental
22 employer in Arkansas that has not elected to participate in the program;

23 (7) "Participating employee" means an individual who is:

24 (A) Employed by a participating employer and makes
25 contributions to his or her retirement savings account in the program in
26 accordance with the procedures developed under § 11-16-112; or

27 (B) Employed by a nonparticipating employer and in
28 accordance with the procedures developed under § 11-16-112:

29 (i) Elects to participate in the program; and

30 (ii) Makes contributions to his or her retirement
31 savings account in the program;

32 (8) "Participating employer" means a small nongovernmental
33 employer in the state that elects to participate in the program in accordance
34 with the procedures developed under § 11-16-112;

35 (9) "Private sector financial services firm" means a person or
36 entity that:

1 (A) Meets the requirements of federal law to offer a
2 retirement plan; and

3 (B) Is licensed or holds a certificate of authority and
4 good standing from either the Securities and Exchange Commission or the
5 Department of Finance and Administration;

6 (10) "Small nongovernmental employer" means a nongovernmental
7 employer that employs no more than one hundred (100) employees in Arkansas
8 for each working day in each of at least twenty (20) calendar weeks of the
9 current or preceding calendar year; and

10 (11) "Total fees" means all costs, including without limitation,
11 administrative expenses, investment expenses, accounting costs, actuarial
12 costs, legal costs, marketing expenses, education expenses, investment advice
13 costs, trading costs, and insurance annuitization costs.

14
15 11-16-102. Creation - Purpose - Liability.

16 (a) The Arkansas Small Business Voluntary Retirement Program is
17 established.

18 (b) The purpose of the program is to provide and maintain a cost-
19 effective group retirement program in which a small nongovernmental employer
20 and its employees may elect to participate.

21 (c)(1) The program does not create or constitute a debt, obligation,
22 or liability of the state.

23 (2) Any contract entered into by the Board of Trustees of the
24 Arkansas Small Business Voluntary Retirement Program in connection with the
25 program does not create or constitute a debt of the state and is solely an
26 obligation of the program.

27 (3) Any person or entity contracting with a state agency in
28 connection with the program shall indemnify the state.

29
30 11-16-103. Program office and staff.

31 (a) There is established as an office in the Department of Finance and
32 Administration the Arkansas Small Business Voluntary Retirement Program.

33 (b) With the approval of the Board of Trustees of the Arkansas Small
34 Business Voluntary Retirement Program, the department may employ and fix the
35 compensation of any secretarial, clerical, professional, and other personnel
36 as may be required for the proper administration of the program.

1 (c)(1) Subject to appropriation, the state may pay administrative
2 costs associated with the creation, publication, and management of the
3 program until sufficient assets are available in the Arkansas Small Business
4 Voluntary Retirement Program Administrative Fund for administrative costs.

5 (2) Once the administrative fund has sufficient assets to pay
6 for administrative costs, then the:

7 (A) Administrative costs of the program shall be paid from
8 the administrative fund;

9 (B) Salaries of employees of the program shall be paid
10 from the administrative fund; and

11 (C) Any funds provided to the program under subdivision
12 (c)(1) of this section shall be returned to the state from the administrative
13 fund.

14
15 11-16-104. Creation - Program Fund.

16 (a) The Arkansas Small Business Voluntary Retirement Program Fund is
17 established as a trust fund outside of the State Treasury.

18 (b) The Board of Trustees of the Arkansas Small Business Voluntary
19 Retirement Program shall operate the trust fund in a manner that ensures that
20 the accounts of participating employees meet the requirements for an
21 individual retirement account under the Internal Revenue Code of 1986.

22 (c)(1) The trust fund shall include the individual retirement accounts
23 of participating employees that shall be accounted for as individual
24 retirement savings accounts.

25 (2) The moneys in the trust fund shall consist of:

26 (A) Payroll deductions and contributions received from a
27 participating employer and a participating employee for deposit into the
28 participating employee's individual retirement savings account under this
29 chapter; and

30 (B) Any assets and earnings resulting from the investment
31 of moneys that are deposited into the individual retirement savings accounts
32 of participating employees under this chapter.

33 (3)(A) The assets and earnings of the trust fund shall be used
34 to carry out the purposes of this chapter and shall not be commingled with
35 state funds or administrative funds.

36 (B) The state shall not have a claim to or against, or

1 interest in, the assets and earnings of the trust fund.

2 (4) The trust fund shall not be considered the property of the
3 state or of a department, institution, or agency of the state.

4
5 11-16-105. Creation - Administrative Fund.

6 (a)(1) The Arkansas Small Business Voluntary Retirement Program
7 Administrative Fund is established as a fund in the State Treasury.

8 (2) The Arkansas Small Business Voluntary Retirement Program
9 Administrative Fund is separate and apart from the general revenue operating
10 funds of the State Treasury.

11 (b)(1) The Board of Trustees of the Arkansas Small Business Voluntary
12 Retirement Program shall use moneys in the administrative fund to pay for
13 administrative costs incurred in carrying out this chapter.

14 (2) To ensure minimum administrative cost, if the unobligated
15 balances in the Arkansas Small Business Voluntary Retirement Program
16 Administrative Fund exceeds two hundred fifty thousand dollars (\$250,000) on
17 June 30 of each fiscal year, the Treasurer of State shall transfer the excess
18 unobligated balances to the Arkansas Small Business Voluntary Retirement
19 Program Fund.

20 (c) The Arkansas Small Business Voluntary Retirement Program
21 Administrative Fund shall consist of grants or other moneys designated for
22 administrative purposes that is received from:

23 (1) The state, federal government, or other local government;
24 and

25 (2) A person, firm, partnership, or corporation.

26 (d) Any earned interest that is attributable to moneys in the Arkansas
27 Small Business Voluntary Retirement Program Administrative Fund shall be
28 deposited into the Arkansas Small Business Voluntary Retirement Program
29 Administrative Fund.

30
31 11-16-106. Board of trustees - Creation - Members.

32 (a) The administration and control of the Arkansas Small Business
33 Voluntary Retirement Program shall be vested in the Board of Trustees of the
34 Arkansas Small Business Voluntary Retirement Program.

35 (b) The board shall carry out the purpose of the program as provided
36 under § 11-16-102.

1 (c)(1)(A) For the first year of the program's operation, the board
2 shall consist of five (5) trustees with expertise in retirement savings plan
3 administration or investment, or both, appointed by the Governor with the
4 advice of the chairs of the Joint Committee on Public Retirement and Social
5 Security Programs.

6 (B)(i) Each trustee of the board appointed by the Governor
7 under subdivision (c)(1)(A) of this section shall be a voting member and
8 shall have one (1) vote on each question before the board.

9 (ii) At least three (3) concurring votes shall be
10 necessary for a decision by the board at any meeting of the board.

11 (2)(A) After the first year of the program's operation, the
12 board shall consist of the following nine (9) trustees:

13 (i) The Auditor of State, the Treasurer of State,
14 and the Director of the Department of Finance and Administration shall be ex
15 officio nonvoting members;

16 (ii) Two (2) representatives with expertise in
17 retirement savings plan administration or investment, or both, appointed by
18 the Governor, who shall be voting members;

19 (iii) Two (2) representatives of participating
20 employers, appointed by the Governor, who shall be voting members; and

21 (iv) Two (2) representatives of participating
22 employees, appointed by the Governor, who shall be voting members.

23 (B)(i) Each trustee of the board that is a voting member
24 shall have one (1) vote on each question before the board.

25 (ii) At least five (5) concurring votes shall be
26 necessary for a decision by the board at any meeting of the board.

27 (d) The board shall elect annually one (1) of its trustees as chair
28 and one (1) of its trustees as vice chair.

29 (e)(1) The trustees of the board shall serve without compensation but
30 may be reimbursed for necessary travel expenses incurred in connection with
31 their board duties.

32 (2) Any reimbursement authorized under this subsection shall be
33 paid with funds from the Arkansas Small Business Voluntary Retirement Program
34 Administrative Fund.

35 (f)(1) The board shall appoint an executive director who shall be the
36 executive administrative officer of the program and the ex officio secretary

1 of the board.

2 (2) The executive director of the program shall not vote on
3 questions before the board and shall be directly responsible for the board.

4 (3) By board resolution, the board may delegate any of the
5 powers and duties vested in or imposed upon it by law to the executive
6 director.

7 (g) An appointed trustee's term of office shall be four (4) years.

8 (h)(1) If a trustee of the board resigns from the board or is
9 otherwise unable to complete his or her term, the Governor shall declare a
10 vacancy on the board.

11 (2)(A) After a trustee is appointed to the board, if the trustee
12 of the board fails to attend more than three (3) of the meetings of the board
13 during a twelve-month period, the board shall determine that the trustee has
14 resigned by board resolution and notify the Governor of the trustee's
15 resignation.

16 (B) Upon receiving the notice under subdivision (h)(2)(A)
17 of this section, the Governor shall declare a vacancy on the board.

18 (3) The Governor shall appoint an appropriate representative to
19 fill the vacancy for the remainder of the unexpired term within thirty (30)
20 days of the date on which the vacancy is declared.

21
22 11-16-107. Board of trustees - Meetings.

23 (a)(1) The Board of Trustees of the Arkansas Small Business Voluntary
24 Retirement Program shall hold regular meetings at least quarterly every
25 calendar year.

26 (2) Meetings of the board may be called by the chair or by a
27 majority of the trustees of the board in a manner established by the board.

28 (3) All meetings of the board shall be public.

29 (b) Subject to the limitations of this chapter, the board shall adopt
30 rules of procedure for its own proceedings and shall keep a record of its
31 proceedings.

32
33 11-16-108. Board of trustees - Administration - Duties.

34 (a) The Board of Trustees of the Arkansas Small Business Voluntary
35 Retirement Program shall develop procedures for the operation of the Arkansas
36 Small Business Voluntary Retirement Program that are consistent with this

1 chapter and applicable federal law.

2 (b) The procedures developed by the board under subsection (a) of this
3 section shall include, without limitation, procedures:

4 (1) For electing to participate or discontinue participation in
5 the program;

6 (2) For making contributions and payroll deductions and
7 remittances;

8 (3) Concerning the portability of a participating employee's
9 participation and benefits in the program;

10 (4)(A) For approving investments and defaults.

11 (B) The procedures for the approval of investments and
12 defaults shall:

13 (i) Require investments made by participating
14 employees to be pooled and professionally managed;

15 (ii) Require a default contribution rate of five
16 percent (5%) of the participating employee's pay to be applied unless
17 otherwise specified by the participating employee;

18 (iii) Require a default investment to be treated as
19 a life-cycle fund with a target date based on the participating employee's
20 age unless otherwise specified by the participating employee;

21 (iv) Provide that the board may establish additional
22 investment options for a participating employee;

23 (v) Require administrative costs to be maintained at
24 an amount that is as low as feasibly possible during the initial five (5)
25 years of the program; and

26 (vi) Require administrative costs to be maintained
27 at an amount that does not exceed seventy-five-hundredths of one percent
28 (0.75%) of the total Arkansas Small Business Voluntary Retirement Program
29 Administrative Fund after five (5) years of the program's operation;

30 (5) For electing an automatic escalation;

31 (6) For authorizing an automatic deduction in a manner
32 consistent with federal law;

33 (7) For converting moneys in a participating employee's
34 individual retirement savings account into lifetime income streams upon
35 retirement when elected by the participating employees;

36 (8) For the payment of fees charged by an investment

1 professional; and

2 (9) For complying with any other provisions of this chapter.

3 (c) The board may procure insurance against any loss in connection
4 with the property, assets, or activities of the program as needed.

5
6 11-16-109. Public information.

7 (a)(1) The Board of Trustees of the Arkansas Small Business Voluntary
8 Retirement Program and the Department of Finance and Administration shall
9 develop and distribute information to educate the public, particularly
10 employers and employees, about the Arkansas Small Business Voluntary
11 Retirement Program.

12 (2) The Department of Finance and Administration shall maintain
13 a link to the educational information required under subdivision (a)(1) of
14 this section on its website.

15 (b) The office of the Secretary of State, Department of Workforce
16 Services, Department of Labor, Arkansas Economic Development Commission,
17 Arkansas Small Business and Technology Development Center, and Arkansas
18 Development Finance Authority shall either distribute or maintain a website
19 link to the educational information required under subdivision (a)(1) of this
20 section.

21
22 11-16-110. Contracts.

23 The Board of Trustees of the Arkansas Small Business Voluntary
24 Retirement Program may contract with a provider that:

25 (1) Provides options for individual retirement accounts and
26 investment products under the Arkansas Small Business Voluntary Retirement
27 Program;

28 (2) Maintains a website for enrollment in the program;

29 (3) Provides record keeping, reporting, and other administrative
30 services;

31 (4) Provides management services for moneys deposited in an
32 investment product;

33 (5) Develops educational material for the program; or

34 (6) Educates the general public about the program.

35
36 11-16-111. Reporting.

1 (a) The Governor or Joint Committee on Public Retirement and Social
2 Security Programs may request the following from the Board of Trustees of the
3 Arkansas Small Business Voluntary Retirement Program:

4 (1) A study or evaluation of the Arkansas Small Business
5 Voluntary Retirement Program;

6 (2) A summary that contains information on the benefits provided
7 by the program, and the number of participating employers and participating
8 employees in the program; and

9 (3) Any other information relevant to make a full, fair, and
10 effective disclosure of the operations of the program, excluding fiduciary or
11 commercial information.

12 (b) The board shall comply with a request made under subsection (a) of
13 this section no later than thirty (30) days from the date on which the
14 request is received or at another reasonable time specified by the Governor
15 or Joint Committee on Public Retirement and Social Security Programs.

16 11-16-112. Participation.

17 (a) A small nongovernmental employer in this state may elect to
18 participate in the Arkansas Small Business Voluntary Retirement Program if
19 the employer does not offer an active retirement program for its employees
20 before electing to participate in the program.

21 (b) A participating employer shall comply with the provisions of this
22 chapter and the procedures developed by the Board of Trustees of the Arkansas
23 Small Business Voluntary Retirement Program under § 11-16-108.

24 (c) A participating employer remains eligible to participate in the
25 program if the number of its employees exceeds one hundred (100) after the
26 date on which the participating employer elects to join the program.

27 (d) A participating employer may elect to discontinue participation in
28 the program by complying with the procedures developed under § 11-16-108.

29 (e)(1) An employee of a nonparticipating employer may elect to
30 participate in the program by complying with the procedures developed under §
31 11-16-108.

32 (2) If an employee of a nonparticipating employer elects to
33 participate in the program, the employee shall make deposits in his or her
34 account in accordance with the procedures developed under § 11-16-108.

35 (3) A nonparticipating employer is not required to make payroll
36 deductions or remittances for an employee who elects to participate in the

1 program under subdivision (e)(1) of this section.

2
3 11-16-113. Confidentiality of information.

4 (a) Information specific to a participating employee is confidential
5 and exempt from the Freedom of Information Act of 1967, § 25-19-101 et seq.

6 (b) Information specific to a participating employee includes, without
7 limitation:

8 (1) Identifying information and other similar items;

9 (2) Account balances and other similar items; and

10 (3) Transaction details and other similar items.

11
12 11-16-114. Participating employers - Reports.

13 A participating employer shall notify its employees annually of the
14 following:

15 (1) Its status as a participating employer in the Arkansas Small
16 Business Voluntary Retirement Program;

17 (2) The steps an employee may take to become a participating
18 employee in the program; and

19 (3) Other information required by the Board of Trustees of the
20 Arkansas Small Business Voluntary Retirement Program.

21
22 11-16-115. Board of trustees - Statement of participation - Reports.

23 (a) The Board of Trustees of the Arkansas Small Business Voluntary
24 Retirement Program shall:

25 (1) Provide a written statement confirming the status of a
26 participating employer to a small nongovernmental employer that elects to
27 participate in the Arkansas Small Business Voluntary Retirement Program in
28 the calendar year;

29 (2)(A) Provide an electronic list of the participating employers
30 that receive the written statement required under subdivision (a)(1) of this
31 section to the Department of Finance and Administration.

32 (B) The department shall make the list provided under
33 subdivision (a)(2) of this section available on its website; and

34 (3)(A) Provide ongoing reports to participating employees
35 regarding their respective retirement savings accounts.

36 (B) A report required under subdivision (a)(3)(A) of this

1 section shall include without limitation:

2 (i) Information on the frequency of reports provided
3 under subdivision (a)(3)(A) of this section; and

4 (ii) An itemization of the information contained in
5 the report.

6 (b) The board may contract with one (1) or more providers for the
7 purpose of complying with this section.

8
9 11-16-116. Relation to the Employee Retirement Income Security Act of
10 1974.

11 The Board of Trustees of the Arkansas Small Business Voluntary
12 Retirement Program shall not implement the Arkansas Small Business Voluntary
13 Retirement Program if the:

14 (1) Individual retirement accounts offered under the program do
15 not qualify for favorable federal income tax treatment ordinarily given to
16 individual retirement accounts under the Internal Revenue Code of 1986; or

17 (2) Program is determined to be an employee benefit plan and
18 state or employer liability is established under the federal Employee
19 Retirement Income Security Act of 1974, Pub. L. No. 93-406.

20
21 11-16-117. Arkansas Small Business Voluntary Retirement Marketplace.

22 (a) The Department of Finance and Administration shall maintain a
23 website to be known as the "Arkansas Small Business Voluntary Retirement
24 Marketplace".

25 (b)(1) The purpose of the marketplace is to assist small
26 nongovernmental employers in identifying private sector financial services
27 firms that provide retirement arrangements that can be implemented by a small
28 nongovernmental business employer in lieu of participating in the Arkansas
29 Small Business Voluntary Retirement Program.

30 (2) A small nongovernmental business employer and a private
31 sector financial services firm may elect to participate in the marketplace in
32 a manner established by the department.

33 (c)(1) The department may charge a private sector financial services
34 firm that offers investment products on the marketplace a fee.

35 (2) Any moneys received from fees charged under this subsection
36 shall be used to establish, maintain, and promote the internet website

1 required under subsection (a) of this section.

2 (d) The department shall provide public notice of the marketplace and
3 the website required under subsection (a) of this section before the
4 marketplace and website become publicly available.

5 (e)(1) The marketplace shall not operate unless at least two (2)
6 private sector financial services firms that offer investment products
7 approved by the department participate in the marketplace.

8 (2) This subsection does not limit the number of private sector
9 financial services firms that may participate in the marketplace if the
10 private sector financial service firms offer investment products approved by
11 the department.

12 (f) An enrollee is not entitled to participate in an investment
13 product offered by a private sector financial services firm in the
14 marketplace.

15
16 11-16-118. Approval of investment products.

17 (a)(1) The Department of Finance and Administration shall approve the
18 participation of a private sector financial services firm in the Arkansas
19 Small Business Voluntary Retirement Marketplace if the private sector
20 financial services firm offers one (1) or more investment products that:

21 (A) Meet all applicable federal laws;

22 (B) Include an option for an enrollee to transfer pretax
23 contributions into a different individual retirement account or another
24 eligible retirement plan after the enrollee ceases participation in an
25 investment product offered in the marketplace; and

26 (C)(i) Provide a private retirement plan option available
27 to small nongovernmental business employers on a voluntary basis.

28 (ii) A private retirement plan option under
29 subdivision (a)(1)(C)(i) of this section shall include without limitation
30 diversified investment options that meet the needs of investors with varying
31 ages and various levels of risk tolerance.

32 (2) The department shall revoke for a minimum of five (5) years
33 the participation of a private sector financial services firm that does not
34 maintain compliance with subdivision (a)(1) of this section or provides
35 misleading or inaccurate information to an employee, an enrollee, or a small
36 nongovernmental business employer.

1 (b) A private sector financial services firm that participates in the
2 marketplace shall not charge:

3 (1) Small nongovernmental employers an administrative fee; or

4 (2) Enrollees more than one percent (1%) of total fees.

5
6 SECTION 3. Arkansas Code Title 19, Chapter 5, Subchapter 11, is
7 amended to add an additional section to read as follows:

8 19-5-1147. Arkansas Small Business Voluntary Retirement Program Fund.

9 (a) There is established on the books of the Treasurer of State, the
10 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
11 be known as the "Arkansas Small Business Voluntary Retirement Program Fund".

12 (b) The fund shall consist of moneys set out in § 11-16-104 and other
13 moneys authorized by law.

14 (c) The fund shall be used for those purposes set out in §§ 11-16-102
15 and 11-16-103.

16
17
18 SECTION 4. Arkansas Code Title 19, Chapter 5, Subchapter 12, is
19 amended to add an additional section to read as follows:

20 19-5-1258. Arkansas Small Business Voluntary Retirement Program
21 Administrative Fund.

22 (a) There is established on the books of the Treasurer of State, the
23 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
24 fund to be known as the "Arkansas Small Business Voluntary Retirement Program
25 Administrative Fund".

26 (b) The fund shall consist of those fees set out in § 11-16-105.

27 (c) The fund shall be used for those purposes set out in § 11-16-102.

28
29 SECTION 5. EMERGENCY CLAUSE. It is found and determined by the
30 General Assembly of the State of Arkansas that the average household saves
31 two thousand five hundred dollars (\$2,500) for retirement; that employees who
32 are unable to build retirement savings are at risk of living on low income as
33 a retiree and are more likely to depend on social safety-net programs; that
34 five hundred thirty thousand (530,000) citizens of Arkansas lack access to a
35 workplace retirement savings plan; that the Arkansas Small Business Voluntary
36 Retirement Program should be established in order to assist small businesses

1 by relieving them of the operational burden of running a retirement plan;
2 that a voluntary payroll deduction individual retirement accounts through
3 public and private partnership will enable small business owners to offer
4 their employees access to the program, which will provide low-cost,
5 professionally managed, and diversified investment options; that the Arkansas
6 Small Business Voluntary Retirement Marketplace will supplement the program
7 by educating small businesses on the availability of low-cost retirement
8 plans and investment products; that this act will help Arkansas further
9 secure its place as a national leader in retirement and investor promotion
10 and protection; and that this act is immediately necessary to help close the
11 retirement savings access gap and protect the fiscal stability of the state
12 and its citizens. Therefore, an emergency is declared to exist, and this act
13 being immediately necessary for the preservation of the public peace, health,
14 and safety shall become effective on:

15 (1) The date of its approval by the Governor;

16 (2) If the bill is neither approved nor vetoed by the Governor,
17 the expiration of the period of time during which the Governor may veto the
18 bill; or

19 (3) If the bill is vetoed by the Governor and the veto is
20 overridden, the date the last house overrides the veto.

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22 /s/Files
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