

2018 -- H 8235

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

H O U S E R E S O L U T I O N

**CREATING THE RETIREMENT SECURITY COMMISSION TO STUDY AND ASSESS
RETIREMENT SAVINGS OPTIONS FOR RHODE ISLANDERS**

Introduced By: Representatives Williams, and Vella-Wilkinson

Date Introduced: May 24, 2018

Referred To: House Finance

1 WHEREAS, There is convincing evidence that many Rhode Islanders are not prepared
2 for, or even aware of, what is needed for a successful retirement, and increased longevity, health
3 care costs, solvency of the Social Security system, inflation and uncertain long-term care costs
4 make assessing future retirement needs more challenging than ever before; and

5 WHEREAS, A pension plan is a retirement plan that requires an employer to make
6 contributions into a pool of funds set aside for a worker's future benefit. The pool of funds is
7 invested on the employee's behalf, and the earnings on the investments generate income to the
8 worker upon retirement; and

9 WHEREAS, Some pension plans require an employer to make or match the worker's
10 annual contributions up to a specific percentage or dollar amount, and some plans have a
11 voluntary investment component that allows a worker to contribute part of their current income
12 from wages into an investment plan to help fund retirement such as a pay-as-you-go pension plan
13 or 401(k) plans; and

14 WHEREAS, A defined-benefit plan is one in which an employer guarantees that the
15 employee receives a definite amount of benefit upon retirement, regardless of the performance of
16 the underlying investment pool. The employer is liable for a specific flow of pension payments to
17 the retiree (the dollar amount is determined by a formula, usually based on earnings and years of
18 service), and if the assets in the pension plan are not sufficient to pay the benefits, the company is
19 liable for the remainder of the payment; and

1 WHEREAS, American employer-sponsored pension plans date from the 1870s, and at
2 their height, in the 1980s, they covered nearly half of all private sector workers. Today, about 90
3 percent of public employees, and roughly only 10 percent of private employees, are covered by a
4 defined-benefit plan; and

5 WHEREAS, Because of the lack of a set pension plan for many Rhode Islanders and/or
6 the lack of understanding of the various plans available, it is essential to the financial security and
7 well-being of the state's citizenry that the variety of options for establishing and making
8 contributions to a retirement financial plan are clearly defined, readily accessible, fully
9 understood, and provide potential coverage for all; now, therefore be it

10 RESOLVED, That a special legislative commission be and the same is hereby created
11 consisting of thirteen (13) members: three (3) of whom shall be members of the House of
12 Representatives, not more than two (2) from the same political party, to be appointed by the
13 Speaker of the House; one of whom shall be a licensed securities broker from a national
14 investment firm, to be appointed by the Speaker of the House; one of whom shall be the Rhode
15 Island General Treasurer, or designee; one of whom shall be the Director of the Rhode Island
16 Department of Labor and Training, or designee; one of whom shall be the Rhode Island Secretary
17 of State, or designee; one of whom shall be the Director of the Rhode Island Department of
18 Revenue, or designee; one of whom shall be Executive Director of the Rhode Island Public
19 Expenditure Council (RIPEC), or designee; one of whom shall be the President of the R.I. AFL-
20 CIO, or designee; one of whom shall be a certified financial planner, to be appointed by the
21 Speaker of the House; and two (2) of whom shall be executives from financial organizations
22 doing business in Rhode Island, to be appointed by the Speaker.

23 In lieu of any appointment of a member of the legislature to a permanent advisory
24 commission, a legislative study commission, or any commission created by a General Assembly
25 resolution, the appointing authority may appoint a member of the general public to serve in lieu
26 of a legislator; provided that, the majority leader or the minority leader of the political party
27 which is entitled to the appointment consent to the member of the general public.

28 The purpose of said Retirement Security Commission shall be to study all currently
29 available retirement plans for both public and private sector employees, including, but not be
30 limited to:

31 (1) Measurements for the general retirement readiness of both public and private sector
32 employees in Rhode Islanders;

33 (2) Accessibility of plans;

34 (3) Availability of options;

- 1 (4) Viability of current options;
2 (5) Retirement plan enrollment processes;
3 (6) Eligibility or mandatory qualifications for employers and employees;
4 (7) Financial impact on businesses and state;
5 (8) Potential new retirement plan options; and
6 (9) Development of a program to raise awareness for the need and understanding of
7 options.

8 Forthwith upon passage of this resolution, the members of the commission shall meet at
9 the call of the Speaker of the House and organize and shall select, from among the legislators, a
10 chairperson.

11 Vacancies in said commission shall be filled in like manner as the original appointment.

12 The membership of said commission shall receive no compensation for their services.

13 All departments and agencies of the state shall furnish such advice and information,
14 documentary and otherwise, to said commission and its agents as is deemed necessary or
15 desirable by the commission to facilitate the purposes of this resolution.

16 The Speaker of the House is hereby authorized and directed to provide suitable quarters
17 for said commission; and be it further

18 RESOLVED, That the commission shall report its findings and recommendations to the
19 General Assembly no later than May 15, 2019, and said commission shall expire on January 15,
20 2020.

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