

2010 -- S 2941

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

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JOINT RESOLUTION

CREATING A SPECIAL LEGISLATIVE COMMISSION TO STUDY THE  
ESTABLISHMENT OF UNIVERSAL VOLUNTARY RETIREMENT ACCOUNTS

Introduced By: Senators Walaska, and Bates

Date Introduced: May 27, 2010

Referred To: Senate Constitutional & Regulatory Issues

1 WHEREAS, People are living longer and spending more years retired from the work  
2 force; and

3 WHEREAS, Rhode Islanders and all Americans have been consistently under-saving for  
4 retirement; and

5 WHEREAS, Approximately half of Rhode Island employers do not currently offer  
6 retirement benefits to their full-time employees; and

7 WHEREAS, Of those employers that do offer retirement benefits to their employees,  
8 only twenty percent (20%) offer such plans to their part-time workers; and

9 WHEREAS, Fewer than forty-seven percent (47%) of Rhode Islanders aged 65 or older  
10 receive retirement income in addition to Social Security; and

11 WHEREAS, Retirement income is even less for low income retired women; and

12 WHEREAS, Social Security benefits alone are insufficient for retirement, thereby placing  
13 the burden of caring for many of the subsequently impoverished elderly onto the state; and

14 WHEREAS, Universal Voluntary Retirement Accounts (UVRAs) can help individuals by  
15 providing a way to save for their retirement; now, therefore be it

16 RESOLVED, That a special legislature commission be and the same hereby is created  
17 consisting of eight (8) members: two (2) of whom shall be members of the House of  
18 Representatives, not more than one from the same political party, to be appointed by the Speaker  
19 of the House; two (2) of whom shall be members of the Senate, not more than one from the same

1 political party, to be appointed by the President of the Senate, one of whom shall be the Rhode  
2 Island General Treasurer, or designee; one of whom shall be a member of AARP, to be appointed  
3 by the commission co-chairs; one of whom shall be a member of the local business community,  
4 to be appointed by the commission co-chairs; and one of whom shall be a member of the public  
5 employees union, to be appointed by the commission co-chairs.

6 In lieu of any appointment of a member of the legislature to a permanent advisory  
7 commission, a legislative study commission, or any commission created by a General Assembly  
8 resolution, the appointing authority may appoint a member of the general public to serve in lieu  
9 of a legislator, provided that the majority leader or the minority leader of the political party which  
10 is entitled to the appointment consents to the member of the general public.

11 The purpose of said commission shall be to study and plan Universal Voluntary  
12 Retirement Accounts (UVRAs), with features and recommendations that include, but are not  
13 limited to:

14 A defined contribution plan with a pre-selected menu of investment options;

15 Administration by the Employee Retirement System of Rhode Island (ERSRI);

16 Investment oversight by the state investment commission;

17 Tax-deferred payroll deductions;

18 Retirement account portability between jobs;

19 A two-tier system with workplace-based individual retirement accounts open to all  
20 workers; and

21 A deferred compensation 401(k)-type program or SIMPLE IRS-type program, open to all  
22 employers that choose to participate for their employees.

23 As part of the process the Commission shall:

24 Evaluate the most efficient methods for providing this service and ways to avoid  
25 competition with existing private sector vehicles; and

26 Undertake the legal and development work to determine how to implement a UVRA  
27 program, managed through the ERSRI, directly or by contract.

28 The commission shall consult with the Department of Business Regulation, the State  
29 Investment Commission, private sector retirement plan administrators and providers, and other  
30 relevant sectors of the financial services industry, organizations promoting increased economic  
31 opportunities for individuals, employers, and any other individuals or entities that the  
32 Commission determines relevant to the development of an effective and efficient method for  
33 implementing and operating the program.

34 Forthwith upon passage of this resolution, the members of the commission shall meet at

1 the call of the Speaker of the House and the President of the Senate who shall each appoint a  
2 commission co-chair.

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

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

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

8 The Joint Committee on Legislative Services is hereby authorized and directed to provide  
9 suitable quarters for said commission; and be it further

10 RESOLVED, That the commission shall report its findings and recommendations to the  
11 General Assembly no later than January 18, 2011, and said commission shall expire on March 18,  
12 2011.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
JOINT RESOLUTION  
CREATING A SPECIAL LEGISLATIVE COMMISSION TO STUDY THE  
ESTABLISHMENT OF UNIVERSAL VOLUNTARY RETIREMENT ACCOUNTS

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1           This resolution would create an eight (8) member special legislative commission whose  
2 purpose it would be to make a comprehensive study of the establishment of Universal Voluntary  
3 Retirement Accounts, and who would report back to the general assembly no later than January  
4 18, 2011, and whose life would expire on March 18, 2011.

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