

SENATE BILL 2899

By Bailey

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 29; Title 4, Chapter 3, Part 24; Title 8; Title 9 and Title 50, relative to the Tennessee Retirement Security Act.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. This act shall be known and may be cited as the "Tennessee Retirement Security Act."

SECTION 2. Tennessee Code Annotated, Title 50, Chapter 1, Part 4, is amended by adding the following as a new section:

(a) An employer who employs at least ten (10) employees and does not offer a qualified retirement plan, including, but not limited to, a plan qualified under Section 401(a), Section 401(k), Section 403(a), Section 403(b), Section 408(k), Section 408(p), or Section 457(b) of the Internal Revenue Code (U.S.C. title 26) shall:

(1) Withhold three percent (3%) of the after-tax wage of an employee from each paycheck;

(2) Transfer the funds withheld in accordance with subdivision (a)(1) to a separate Roth individual retirement account (Roth IRA), as described in 26 U.S.C. § 408A, for each employee; and

(3) Provide each employee with a choice of at least four (4) financial institutions that are qualified to manage a Roth IRA in accordance with 26 U.S.C. § 408A and are federally insured.

(b) An employee may:

(1) Opt out of withholding at any time; and

(2) Request that an employer withhold more than three percent (3%) of the employee's after-tax wage.

(c) The choice of financial institutions under subdivision (a)(3) must include at least two (2) local banks, if available in the relevant community.

SECTION 3. This act shall take effect January 1, 2021, the public welfare requiring it.