



STATE OF CONNECTICUT

RETIREMENT SECURITY BOARD

CO-CHAIRS: STATE COMPTROLLER KEVIN LEMBO & STATE TREASURER DENISE L. NAPIER

FOR IMMEDIATE RELEASE

March 30, 2015

CRSB RECEIVES \$250,000 TO HELP FUND STUDY ON FEASIBILITY OF PUBLIC RETIREMENT PLAN FOR PRIVATE-SECTOR EMPLOYEES

HARTFORD – The Connecticut Retirement Security Board (CRSB) has received a \$250,000 donation from the Laura and John Arnold Foundation to help fund a market feasibility study of implementing a public retirement program for private-sector employees.

The directors of the Foundation have notified the Board that they have authorized the \$250,000 gift to the state. The only requirement is that the funds be spent on the Board’s market feasibility study.

State Comptroller Kevin Lembo and State Treasurer Denise L. Nappier, as co-chairs of the CRSB, announced earlier this month that the Board selected Boston College’s Center for Retirement Research to conduct a market analysis, and Mercer and Oliver Wyman to design a retirement program, conduct a financial feasibility study and provide general consulting services.

“The Laura and John Arnold Foundation is committed to ensuring that all workers have the opportunity to save for a secure retirement,” the Foundation’s Vice President of Public Accountability, Josh McGee, said. “A well-designed retirement plan will help to support this goal, and we are pleased to support this study and a similar one in the state of California.”

A majority of the study’s funding – estimated to cost approximately \$1 million – is being raised from private sources. The Foundation’s donation is the first major financial commitment to the Board.

“We are very thankful to the Laura and John Arnold Foundation for its commitment to assist the Board in exploring solutions to the pressing issue of retirement security in Connecticut, which has an enormous impact on our economy and society,” Nappier said. “This generous contribution acknowledges the importance of the role public policy can play in helping to put our private sector workers on a path to achieve financial stability in their senior years.”

“This contribution will help the board to fulfill its goal – to complete its analysis and explore a public retirement solution for private-sector employees and to fully consider the impact of each possible solution on retirement insecurity in Connecticut,” Lembo said. “Retirement insecurity impacts every one of us – whether we have access to a retirement savings option or not. As a state, we have a responsibility to consider every possible solution and outcome.”

The legislature established the CRSB last year to investigate the feasibility of a public retirement program for private-sector employees and to develop an implementation plan for such a program. In Connecticut, just



59 percent of private sector employees in 2010 had access to an employer-sponsored retirement plan – down from 66 percent in 2001. And in 2012, only 47.4 percent of private sector workers participated in an employer-sponsored retirement plan.

The Board is required to provide a status report on the study to the Governor and the General Assembly’s Labor Committee by May 1, 2015, to report its findings to the Governor and the General Assembly’s Labor Committee by January 1, 2016 and to submit a comprehensive proposal for creation of such a program to the Governor and General Assembly by April 1, 2016.

The market feasibility study will include a market analysis, recommend a program design based on the results of such market analysis, and then examine the financial feasibility of the program based on the market analysis and recommended program design.

The legislation authorizing the CRSB mandates that any proposed retirement program cannot have a fiscal impact on the State, and businesses will not be required to contribute to such a program. Among the other issues to be considered as part of the study, there will be evaluation of the potential administrative burdens on small employers, as well as a survey of employers interested in state or private options.

About the Laura and John Arnold Foundation (LJAF)

LJAF is a private foundation committed to producing substantial, widespread, and lasting reforms that will maximize opportunities and minimize injustice in our society. Its strategic investments are currently focused on criminal justice, education, public accountability, and research integrity. LJAF has offices in Houston and New York City.

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