



News from:
COMPTROLLER KEVIN LEMBO

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**COMPTROLLER LEMBO APPLAUDS SENATE VOTE APPROVING
WORKPLACE-BASED RETIREMENT SECURITY OPTION FOR
NEARLY 600,000 WORKERS**

Comptroller Kevin Lembo commended the state Senate for voting today in favor of a financially self-sustaining retirement savings program that could serve nearly 600,000 private-sector workers in Connecticut who currently have no access to workplace-based retirement savings.

The state House of Representatives approved the measure last week, so the legislation is now headed to Gov. Dannel P. Malloy for signature.

Lembo, as co-chair of the Connecticut Retirement Security Board (CRSB) that studied and drafted the proposal, says this action follows substantial market research and broad input from the public, legal experts, academics and business community.

Today's vote also follows public support from business owners, representatives of the financial services industry and many others, Lembo said.

"There is an entire generation of employees, many of them lifelong hardworking middle class people, who are headed to retirement financially unequipped, in part due to lack of access to a workplace-based retirement savings option," Lembo said. "This is not simply a serious issue for those individuals and families who are financially forced to delay retirement indefinitely – but for our entire state economy.

"I am grateful for the support by members of both the Senate and House of Representatives – and especially thank CRSB co-chair state Treasurer Denise L. Nappier, state Senate President Pro Tempore Martin Looney, state House Majority Leader Joe Aresimowicz,

Labor Committee co-chairs state Sen. Edwin A. Gomes and Rep. Peter Tercyak, the AARP and the members of the CRSB for their work on the proposal.

"I strongly believe that a private-sector solution should be the first answer to this challenge - but the market is currently failing to reach nearly half of our workforce. Implementation of this program will actually push many businesses out into the private market. In fact, in the market feasibility study survey of Connecticut employers, approximately half of the employers said that - should the program be implemented - they would go out into the private market."

An Act Creating the Connecticut Retirement Security Program, H.B. 5591, would create a new quasi-public entity responsible for implementing a retirement savings program through contracts with private-sector providers. The proposed program would not be mandatory for businesses that currently already offer a 401K plan or other workplace-based savings option to its employees; it would not require that participating employers contribute to the program (only that they provide a payroll deduction mechanism for employees to contribute); and employee participation would be strictly voluntary (they would be automatically enrolled, but can opt out if they prefer – and will have 120 days of communication, education and notice before enrollment).

"The goal is not to compete with or replace the private market, but to fulfill a significant unmet need in the market that must be answered for the sake of those families and our entire state economy," Lembo said.

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