

# State of Connecticut



DENISE L. NAPIER  
TREASURER

February 17, 2017

Hartford

The Honorable Richard Blumenthal  
United States Senate  
706 Hart Senate Office Building  
Washington, D.C. 20510

The Honorable Chris Murphy  
United States Senate  
136 Hart Senate Office Building  
Washington, D.C. 20510

***Re: H.J. Resolution 66 and H.J. Resolution 67***

Dear Senators Blumenthal and Murphy,

I am writing to urge you to vote "no" on H.J. Resolution 66 and H.J. Resolution 67, repealing U.S. Department of Labor regulations regarding state-administered retirement programs for private sector workers.

In 2014, Connecticut was one of the first states in the country to establish a task force focused on retirement savings for private sector employees without access to an employer-sponsored plan. Over the course of two and a half years, Comptroller Kevin Lembo and I co-chaired the Connecticut Retirement Security Board ("CRSB"), which ultimately recommended the creation of a retirement savings program in Connecticut. Last year, the General Assembly formally established an Authority to oversee this program, and work is currently underway to get the Authority up and running.

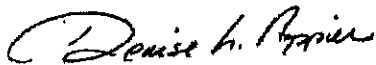
At this critical juncture, just before the most important work is slated to begin, there is federal legislation that may halt it in its tracks. Earlier this week, the U.S. House of Representatives adopted House Joint Resolutions 66 and 67, which would void regulations issued by the U.S. Department of Labor that give us the flexibility we need to implement the program. Key provisions in the regulations allow the establishment of retirement security programs for private-sector workers without undue regulatory burdens that would imperil the feasibility of the programs.

**These resolutions have been sent to the Senate, and I strongly urge you to vote "no" on both of them. I also would ask that you work with your colleagues to defeat them.**

Attached you will find a letter signed by 15 state treasurers and other government officials from around the country that provides further information. Each of these officials is working to implement a retirement security initiative, and they see H.J. Resolutions 66 and 67 as damaging, at best, and fatal, at worst, to their efforts.

My staff stands ready to answer any questions you may have regarding this legislation.

Sincerely,



Denise L. Nappier  
Treasurer, State of Connecticut

cc Governor Dannel Malloy  
Comptroller Kevin Lembo  
Labor and Public Employees Committee, Connecticut General Assembly

Wednesday, February 22, 2017

Senator Mitch McConnell  
Senate Majority Leader  
317 Russell Senate Office Building  
Washington, DC 20510

Senator McConnell,

Nearly 55 million workers across the country lack access to employer-sponsored retirement plans, and millions more fail to take full advantage of employer-supported plans. Without access to easy and affordable retirement savings options, far too many workers are on track to retire into poverty where they will depend on Social Security, state, and federal benefit programs for their most basic retirement needs. States across the country have been innovating to address this problem. We are writing to respectfully urge you to protect the rights of states and large municipalities to implement their own, unique approaches.

Last week, two resolutions of disapproval (H.J. Res 66, H.J. Res 67) were introduced to repeal key Department of Labor (US DOL) rules. If passed, these resolutions would make it more difficult for states and municipalities to seek solutions to the growing retirement savings crisis. We ask that you support the role of states as policy innovators by voting "No" on H.J. Res 66 and H.J. Res 67.

Thirty states and municipalities are in the process of implementing or exploring the establishment of state-facilitated, private-sector retirement programs. Eight states have passed legislation to allow individuals to save their own earnings for retirement (no employer funds are involved as these are not defined benefit plans). While most state and municipal plans will be governed by independent boards, the day-to-day investment management and recordkeeping would not be conducted by the state, but rather by private sector firms - the same financial institutions that currently provide retirement savings products. These programs would apply to businesses that don't currently offer a retirement plan, and would in no way limit an employer's ability to seek out and offer their own employer-sponsored plan.

Many states and municipalities are planning to use Individual Retirement Accounts (IRAs) that will be wholly owned and controlled by the participant, while others are pursuing options such as Voluntary Multiple Employer Plans (MEPs) and marketplace concepts. These plans would follow all relevant guidelines and other noted regulations, and current consumer protections would apply. Many of these programs are modeled off of the 529 College Savings Plans or supplemental public retirement plans that states administer today.

States are pursuing a multitude of solutions to address this growing retirement savings crisis. We request that you vote "No" on H.J. Res 66 and H.J. Res 67 with the understanding that the US DOL rule provides important flexibility to states and large municipalities as they seek to address the growing

retirement crisis facing this country. We insist that states be allowed to maintain their constitutional rights to implement such legislation.

We are happy to provide additional information or answer any questions. Thank you for your support.

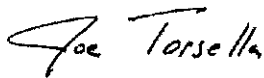
Sincerely,



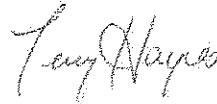
Beth Pearce, Vermont State Treasurer



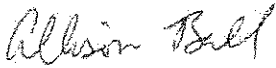
Lynn Fitch, Mississippi State Treasurer



Joseph Torsella, Pennsylvania State Treasurer



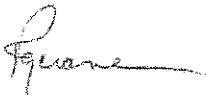
Terry Hayes, Maine State Treasurer



Allison Ball, Kentucky State Treasurer



Michael Frerichs, Illinois State Treasurer



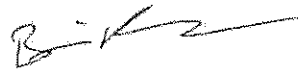
Ron Crane, Idaho State Treasurer



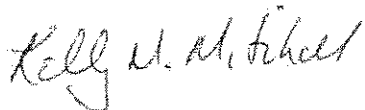
John Chiang, California State Treasurer



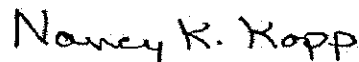
David Damschen, Utah State Treasurer



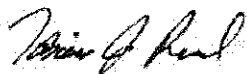
Brian Bonlender, Director  
Washington State Department of Commerce



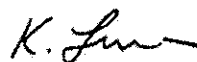
Kelly Mitchell, Indiana State Treasurer



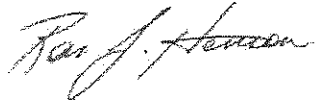
Nancy Kopp, Maryland State Treasurer



Tobias Read, Oregon State Treasurer



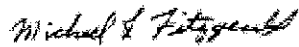
Kevin Lembo, Connecticut State Comptroller



Ron Henson, Louisiana State Treasurer



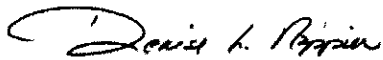
Seth Magaziner, Rhode Island State Treasurer



Michael Fitzgerald, Iowa State Treasurer



Myron Frans, Commissioner  
Minnesota Management and Budget



Denise Nappier, Connecticut State Treasurer