



Structure & Enforcement

Presentation to the
Connecticut Retirement
Security Board

November 4, 2015



ERISA Preemption

- Laws that “relate to” employee benefit plans are preempted
- Ultimately decided by courts
 - More likely not preempted if investment vehicle is not a plan
- Payroll deduction IRAs
 - Current DOL guidance
 - Expected guidance by end of year

Composition & Governance

- Quasi public
 - Common structure in CT
 - Typical membership
- State indemnification
 - Members and employees
- Authority to delegate
 - *E.g.*, to service providers

Consumer Protections

- IRA prohibited transaction rules
 - Existing law
- Statutory standard of care
 - “Best interest” (fiduciary)
- Enforcement
 - Equitable relief
 - State agency right of action
 - No private right of action
- Procurement & ethics rules

Delinquent Contributions

- State law to require transmission
 - Mirror federal law
 - Remit contributions within [7] days or a reasonable period of time
- Penalties
 - Mirror state wage theft rules
- Enforcement
 - State agency and/or private right of action



Failure to Enroll Employees

- Automatic penalty
 - Enforceable by CTDOL
 - Discretion to waive penalty
- Reporting
 - Include compliance question on CT unemployment filings
 - Subject to penalty of perjury



QUESTIONS?