



WYMANews

State of Connecticut
Office of the State Comptroller
55 Elm Street
Hartford CT 06106-1775

WYMANews WINTER

Volume 2 Issue 1



Connecticut State Capitol

Inside this issue:

401K Plan Details	2
Welcome Home	2
Fiscal Projections	3
Where's Wyman?	3
An inside look at the Comptroller's Office	4
Upcoming Events	4



KEEP INFORMED

- **OSC Financial Matters:** If you would like to receive periodic updates via E-Mail from the Comptroller's Office on state financial matters, subscribe to osc-updates. Please visit: www.osc.state.ct.us/public/listserv
- **OSC Newsletter** Receive WYMANews by email. Sign up at: <http://www.osc.state.ct.us/public/newsletter>

CT COULD BECOME FIRST STATE TO OFFER STATE ADMINISTERED 401(K) PLAN FOR SMALL BUSINESSES

State Comptroller Nancy Wyman joined State Senate President Donald E. Williams, Jr. and State Senator Gary LeBeau at a Capitol news conference to announce a proposal to create a state administered retirement-savings plan for small businesses, self-employed individuals, and not-for-profits.

If enacted, Connecticut would become the first state in the nation to offer such a plan.

Currently, about 75% of Connecticut businesses with fewer than 100 employees do not offer retirement plans such as a 401(k). A major reason for this problem is that small businesses often incur administrative fees that are too high to allow such programs to produce meaningful growth for retirement.

The Comptroller estimates that investors could save about 50% on typical fees through a state administered plan. This savings could mean that average workers would have to work four fewer years to achieve the same retirement savings they

would have achieved under otherwise available plans.

Wyman said the program will be an extension of the retirement-savings plans that her office currently administer for state employees: a 401(a) defined contribution plan, a 457 deferred compensation plan and a 403(b) retirement savings plan.

“My commitment to encouraging retirement savings is evidenced by the fact that in the past two years the assets in the state plans have more than doubled to approximately \$2 billion—both through increased participation and lowered fees,” Wyman said.

“Those assets give the state enormous leverage to offer small businesses a very affordable investment plan. I believe that this proposal can be another way in which state government uses its tremendous resources to help small business thrive.”

Continued Page 2

Comptroller Implements Critical Disaster Recovery Program for Core-CT

As corporations and governments around the world examine their ability to recover business processes and data after a catastrophe, much attention is being paid to disaster recovery implementation. The Office of State Comptroller has recently implemented a disaster recovery plan for Connecticut's core financial systems, known collectively as Core-CT. The system is a new, more technologically advanced approach based on current disaster recovery best practices.

Unlike traditional plans reliant on back-up tapes and 'hot sites' located hundreds of miles away, the Core-CT disaster recovery plan electronically replicates data in nearly real time as it is processed. The data is processed to an off-site back-up system at UCONN, where the necessary hardware and network connections were installed. Once the system was completed, Core-CT transactional data began to flow to the UCONN site with a delay of less than a minute. In the event of a disaster, Connecticut's financial processing can be operational in less than a day with no data loss.

401(K) PLAN

FOR SMALL BUSINESSES (CONTINUED)

Senator Williams said: “The fees associated with 401(k) plans have a disproportionate impact on people who work for small businesses. Our proposal will help people save for retirement and instantly give our small businesses a real advantage over out-of-state competitors.”



The Proposal: Authorize the Comptroller’s Office to submit a Request for Proposals (RFP) with the goal of establishing a state-administered deferred compensation plan—which would include a 401(k) plan—and would be open to any small employers, including those who wish to participate by contributing on behalf of employees who participate. The plan would be initiated and administered by the Comptroller’s Office.

Cost: Start-up costs are minimal and could be recouped through administrative fees (in the same way that plans on the market recoup fees) and repaid to the General Fund over the first few years. The net cost to the state would therefore be zero.

Background: The state of Connecticut currently operates a 401(a) defined contribution plan, an IRC section 457 deferred compensation plan, and a 403(b) retirement savings plan for state employees. According to the State Comptrollers Office (OSC), the new 401(k) plan, which would be regulated by the Employee Retirement Income Security Act of 1974 (ERISA), would not be open to state employees.

The cost reductions could enable access to plans for the employees of the small businesses that currently do not offer such retirement plans to their employees.

The Office of State Comptroller estimates that investors could save about 50% on fees through a state administered plan. This savings could mean that average workers would have to work four fewer years to achieve the same retirement savings they would have achieved under otherwise available plans. This means that an average worker earning \$46,250—the average wage of a worker in the manufacturing sector—and saving 10% of their income, would earn about \$1.6 million toward retirement. This is \$350,000 more than the same worker would have earned in the more costly private plans.



WELCOME HOME TROOPS



Comptroller Wyman addresses the Troops at a Freedom Salute Ceremony



1048th Transportation Company



143rd Combat Sustainment Support Battalion



1048th Transportation Company

Latest State Surplus Projection

State Comptroller Nancy Wyman stated that a sharp decline in receipts of the tax that corporations pay on profits has reduced the estimated 2008 budget surplus to \$226.8 million.

Collection of the corporation tax is expected to bring in about \$30 million less than original estimates, Wyman said. Another major reason for the lower surplus estimate is that the state is expected to pay out about \$20 million more in tax refunds

than was originally budgeted.

Wyman said both of those factors are the product of a slowing economy in Connecticut and nationally.

"Connecticut is expected to slightly outperform the national economy," Wyman said, "but most projections show the state having either a modest slowdown or flat economic growth over the next year."



Wage growth nationally has been just over 2%, while in Connecticut wages increased by 4.7% in fiscal 2007 and have remained in that range in recent months. That has led to relatively strong receipts of the income tax, which have increased by slightly less than 8% in fiscal 2008.

Job growth in the state has been stagnant since the fiscal year began July 1. Existing home sales in Connecticut have dropped by 20% over last year.

The Comptroller's overall surplus estimate dropped by \$54.4 million since last month, and is \$33 million lower than that of the Governor's budget office.

Where has Wyman been lately ...



Hartford St Patrick's Day Fundraiser with Irene O'Connor and John Bazzano



Urban League of Greater Hartford Black History Award Celebration



Read Across America Program at Lake Street School in Vernon



Southbury Heritage Village Senior Visit



American Heart Association Go Red for Women Luncheon in Hartford



West Hartford Regents Fraternity Service

MISSION

To provide accounting and financial services, to administer employee benefits, to develop accounting policy and exercise accounting oversight, and to prepare financial reports for state, federal and municipal governments and the public.



VISIT US AT
www.osc.state.ct.us

Information Technology Division

The Information Technology Division (ITD) has primary responsibility for developing and maintaining OSC's technical infrastructure. Technical services provided include: local area network (LAN) planning, administration, and support; personal computer (PC) installation and troubleshooting, training in desktop software applications, help desk support for all PC users, and development of custom PC/LAN applications.

The Director of the Division represents the agency on the management team responsible for overseeing the operation of the State's financial and administrative system. This system performs the State's accounting, accounts payable, accounts receivable, purchasing, human resource, time and attendance, payroll, and benefits administration functions. In total there are approximately 50 OSC employees who work full time on supporting the operation of the system. The Director of the Division also assists the Comptroller in strategic IT planning and coordinates OSC's procurement of IT hardware, software and services.



The West Haven Black Coalition honors Comptroller Wyman for her instrumental role in creating the Wall of Honor, a tribute to Connecticut military members killed in Iraq and Afghanistan. The Wall of Honor is in the walkway connecting the State Capitol and Legislative Office Building in Hartford.



Permanent Commission on the Status of Women Making Women Visible

UPCOMING CALENDAR OF EVENTS

MARCH		MAY
	23—Easter Sunday	
9—Daylight Saving Time Begins	28—State Bond Commission Meeting	7—Last Day of General Assembly Session
9—6th Annual Women's Health Conference at Mystic Marriott	APRIL	11—Mother's Day
	20—Passover	17—CT Vietnam Veterans Memorial Dedication
17—St Patrick's Day	22—Earth Day	26—Memorial Day (State Offices Closed)
20—First Day of Spring	25—Arbor Day	
21—Good Friday (State Offices Closed)	25—State Bond Commission Meeting	
	28—Worker's Memorial Day	30—State Bond Commission Meeting