



News from:
COMPTROLLER KEVIN LEMBO

FOR IMMEDIATE RELEASE

TUESDAY, APRIL 26, 2016

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**COMPTROLLER LEMBO APPLAUDS HOUSE VOTE THAT
ADVANCES RETIREMENT SECURITY PROGRAM TO SERVE
NEARLY 600,000 WORKERS WITHOUT WORKPLACE SAVINGS**

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

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, 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. The proposal must now go before the state Senate for action.

"Today's vote recognizes that 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.

"I am grateful for the broad support by members of the House of Representatives to address retirement security – which is a very serious issue, not only for those individuals and families who are financially forced to delay retirement indefinitely, but for our entire state and economy," Lembo said.

"I would like to especially thank state House Majority Leader Joe Aresimowicz, Labor

Committee co-chair 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).

“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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