



News from:
COMPTROLLER KEVIN LEMBO

FOR IMMEDIATE RELEASE

TUESDAY, MAY 31, 2016

Contact: Tara Downes
860-702-3308
Tara.Downes@ct.gov

**COMPTROLLER LEMBO'S STATEMENT ON GOVERNOR
SIGNING INTO LAW A WORKPLACE-BASED RETIREMENT
SECURITY OPTION FOR NEARLY 600,000 WORKERS**

Comptroller Kevin Lembo today acknowledged Gov. Dannel P. Malloy's signature on the new retirement security program law.

This financially self-sustaining retirement savings program could serve nearly 600,000 private-sector workers in Connecticut who currently have no access to workplace-based retirement savings.

The governor's signature comes after changes were made to the law during a special legislative session, including a measure that will require having multiple third-party providers, rather than one, more efficient, competitively chosen firm, administer the program.

Lembo said that, on its surface, this change would allow more financial services firms access to this book of business – however, he warned that the change could have the negative effect of increasing costs for participants while dissuading some financial services firms because, as a result of the shared administration, it could take them longer to accumulate assets.

“Despite the demand for these changes, this program will meet a critical need for today's generation – ensuring that retirement savings opportunities are more readily attainable in the workplace for all workers who deserve financial security after a lifetime of work,” 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."

“Retirement security 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.”

Lembo was co-chair of the Connecticut Retirement Security Board (CRSB) that studied and drafted the original proposal following almost two years of substantial market research and broad input from the public, legal experts, academics and business community.

The program has also received public support from business owners, representatives of the financial services industry and many others, Lembo said.

"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.

"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.

*****END*****