

Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 20-0594.01 Nicole Myers x4326

SENATE BILL 20-200

SENATE SPONSORSHIP

Donovan and Pettersen, Bridges, Fenberg, Fields, Garcia, Ginal, Hansen, Lee, Moreno, Rodriguez, Story, Todd, Williams A., Winter

HOUSE SPONSORSHIP

Kraft-Tharp and Becker,

Senate Committees

Finance
Appropriations

House Committees

State, Veterans, & Military Affairs
Appropriations

A BILL FOR AN ACT

101 CONCERNING THE IMPLEMENTATION OF THE COLORADO SECURE
102 SAVINGS PROGRAM TO INCREASE THE AMOUNT OF RETIREMENT
103 SAVINGS BY COLORADO'S PRIVATE SECTOR WORKERS, AND, IN
104 CONNECTION THEREWITH, MAKING AND REDUCING AN
105 APPROPRIATION.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

In 2019, the general assembly created the Colorado secure savings board (board) in the office of the state treasurer to study the costs to the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

HOUSE
Amended 2nd Reading
June 10, 2020

SENATE
3rd Reading Unamended
June 6, 2020

SENATE
Amended 2nd Reading
June 5, 2020

state of insufficient retirement savings and 3 approaches to increasing retirement savings in Colorado. The board found that a state-facilitated automatic enrollment individual retirement account program is the best option for Colorado and recommended the establishment of such a program, coupled with the greater use of financial education tools in the state.

In furtherance of the board's recommendation, the bill directs the board to create and implement the Colorado secure savings program (program).

The bill specifies the powers and duties of the board in connection with the creation and administration of the program and updates the criteria to which the board is required to adhere in developing the program. The board is required to adopt rules regarding enrollment in the program, contributions to and withdrawals from program accounts, the process for employer exemptions from offering the program, and required disclosures.

The bill creates the Colorado secure savings program fund in the state treasury to consist of money appropriated by the general assembly, money transferred to the fund by the federal government, money from fees and penalties in connection with the program, and any gifts, grants, or donations made to the fund.

All individual account information for accounts under the program is confidential and may not be disclosed except under specified circumstances.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds and declares that:

4 (a) Nearly half of all families in the United States have no
5 retirement assets. Even among those families who are nearing retirement,
6 four out of ten have no retirement assets.

7 (b) Middle-class, working-age families whose incomes are at the
8 fiftieth percentile have, on average, only five thousand dollars saved in
9 retirement accounts. The average for families with incomes at the
10 ninetieth percentile is two hundred seventy-four thousand dollars.

11 (c) Most African-American and Latinx families have no

1 retirement savings. About four out of ten African-American families and
2 one out of four Latinx families have retirement savings. The median
3 white family with retirement savings has over three times as much saved
4 as the median African-American or median Latinx family.

5 (d) Older workers are working longer and delaying their
6 retirement. Many of today's seniors rely on their children, who are already
7 struggling to raise their own families, or rely on other social services that
8 are underfunded.

9 (e) Over nine hundred thousand working Coloradans, or about
10 forty percent of the Colorado workforce, do not have access to a
11 retirement savings account or program at work;

12 (f) Colorado's younger workers are disproportionately affected,
13 with forty-eight percent of workers between the age of twenty-five and
14 twenty-nine, forty-six percent of workers between the age of thirty and
15 thirty-four, and forty-one percent of workers between the age of
16 thirty-five and thirty-nine, lacking access to a retirement program at work;

17 (g) Minority workers in Colorado are also disproportionately
18 affected, with forty-six percent of African-American workers and
19 fifty-nine percent of Latinx workers lacking access to a retirement
20 program at work;

21 (h) Colorado's lowest wage workers are also less likely to have
22 access to a workplace retirement savings program. Sixty-nine percent of
23 Colorado's workers in the lowest income quintile and forty percent of
24 Colorado's workers in the second lowest income quintile have no access
25 to a retirement program at work.

26 (i) The major reason many workers do not participate in
27 retirement savings programs is because their employers do not offer them.

1 Experts on retirement recommend that the best way to increase retirement
2 savings is to enroll all employees in a workplace savings program with
3 the right to opt out. Workers are fifteen times more likely to save for
4 retirement when they have access to an automatic enrollment savings
5 program at work.

6 (j) For decades, Americans have built their retirement with
7 traditional pensions, social security, and individual savings, but America's
8 retirement system has not kept pace with the changing economy. Over
9 half of Colorado workers in the private sector do not have any type of
10 employer-sponsored retirement program, and individual savings have not
11 filled the void.

12 (k) The future of Colorado's economic growth relies on our aging
13 population having sufficient income in retirement so they can afford to
14 live independently and have quality healthcare. Our seniors contribute
15 significantly to local economies throughout the state, and their retirement
16 investment spending provides stability to those communities. The cost of
17 insufficient retirement savings to the state is estimated to be close to ten
18 billion dollars over the next fifteen years.

19 (l) Colorado needs a remedy to the retirement security crisis so
20 that Coloradans can look forward to a retirement free from financial
21 anxiety or hardship;

22 (m) The Colorado general assembly created the Colorado secure
23 savings board to study the costs of insufficient retirement savings to the
24 state and three approaches to increasing retirement savings in Colorado:
25 A retirement savings marketplace, an automatic enrollment IRA, and
26 increasing financial education;

27 (n) The board found that a state-facilitated automatic enrollment

1 IRA plan would be the best option for Colorado. The board further found
2 that a retirement marketplace and similar approaches, where
3 implemented, have not expanded retirement savings in any meaningful
4 way. Financial education programs on their own have not demonstrated
5 the ability to meaningfully increase savings levels.

6 (o) The board's study indicates that under a range of scenarios and
7 assumptions, a state-facilitated automatic enrollment IRA plan is
8 expected to be cost-neutral to the state within a five-year period; and

9 (p) Therefore, the board recommended the establishment of a
10 state-facilitated, automatic enrollment IRA plan, coupled with the greater
11 use of financial education tools in the state.

12 (2) The general assembly further finds and declares that it is in the
13 best interest of the state to create a state-facilitated Colorado secure
14 savings program to provide a workplace savings program for all Colorado
15 workers whose employers do not provide such a program.

16 **SECTION 2.** In Colorado Revised Statutes, **amend** 24-54.3-101
17 as follows:

18 **24-54.3-101. Short title.** The short title of this article 54.3 is the
19 "Colorado Secure Savings ~~Plan~~ PROGRAM Act".

20 **SECTION 3.** In Colorado Revised Statutes, 24-54.3-102, **amend**
21 (1) and (4); and **add** (6.5) as follows:

22 **24-54.3-102. Definitions.** As used in this article 54.3, unless the
23 context otherwise requires:

24 (1) "Board" means the Colorado secure savings ~~plan~~ PROGRAM
25 board established in section 24-54.3-103.

26 (4) "Fee" means investment management charges, administrative
27 charges, investment advice charges, trading fees, marketing and sales

1 fees, revenue sharing, broker fees, and other costs necessary to run the
2 Colorado secure savings ~~plan~~ PROGRAM.

3 (6.5) "PROGRAM" MEANS THE COLORADO SECURE SAVINGS
4 PROGRAM CREATED BY THE BOARD PURSUANT TO SECTION 24-54.3-103
5 (1).

6 **SECTION 4.** In Colorado Revised Statutes, 24-54.3-103, **amend**
7 (1) and (7) as follows:

8 **24-54.3-103. Colorado secure savings program board -**
9 **creation - composition.** (1) There is hereby created in the office of the
10 state treasurer the Colorado secure savings ~~plan~~ PROGRAM board to ~~study~~
11 ~~the feasibility of creating the Colorado secure savings plan as well as~~
12 ~~other approaches specified in section 24-54.3-104 to increase the amount~~
13 ~~of retirement savings by Colorado's private sector workers~~ CREATE AND
14 IMPLEMENT THE COLORADO SECURE SAVINGS PROGRAM.

15 (7) ~~Members shall serve for a minimum of two years or until the~~
16 ~~board completes its report to the governor and general assembly as~~
17 ~~described in section 24-54.3-105~~ THE TERM OF ANY MEMBER APPOINTED
18 BY THE BOARD PRIOR TO **SEPTEMBER 15, 2020**, SHALL EXPIRE ON
19 **SEPTEMBER 14, 2020**. THE GOVERNOR SHALL MAKE NEW APPOINTMENTS
20 TO THE BOARD FOR TERMS BEGINNING **SEPTEMBER 15, 2020**, AND ANY
21 MEMBER APPOINTED TO THE BOARD FOR A TERM BEGINNING ON OR AFTER
22 **SEPTEMBER 15, 2020**, SHALL SERVE A FOUR-YEAR TERM; EXCEPT THAT
23 MEMBERS OF THE BOARD APPOINTED BY THE GOVERNOR SERVE AT THE
24 PLEASURE OF THE GOVERNOR. A MEMBER IS ELIGIBLE FOR REAPPOINTMENT
25 FOR AN ADDITIONAL TWO TERMS.

26 **SECTION 5.** In Colorado Revised Statutes, **add** 24-54.3-103.5
27 as follows:

1 **24-54.3-103.5. Colorado secure savings program board -**

2 **powers - duties.** (1) THE BOARD SHALL HAVE THE FOLLOWING POWERS
3 AND DUTIES:

4 (a) TO ESTABLISH, IMPLEMENT, AND MAINTAIN THE PROGRAM
5 DEVELOPED PURSUANT TO SECTION 24-54.3-104;

6 (b) TO ADOPT RULES FOR THE GENERAL ADMINISTRATION OF THE
7 PROGRAM;

8 (c) TO DIRECT THE STATE TREASURER TO HIRE STAFF TO SUPPORT
9 THE OVERSIGHT AND ADMINISTRATION OF THE PROGRAM;

10 (d) TO DEVELOP AN INVESTMENT POLICY STATEMENT AND
11 OVERSEE THE INVESTMENT OF THE FUNDS CONTRIBUTED TO ACCOUNTS IN
12 THE PROGRAM CONSISTENT WITH THE INVESTMENT RESTRICTIONS
13 ESTABLISHED BY THE BOARD. THE INVESTMENT RESTRICTIONS SHALL BE
14 CONSISTENT WITH THE OBJECTIVES OF THE PROGRAM, AND THE BOARD
15 SHALL EXERCISE THE JUDGMENT AND CARE THEN PREVAILING THAT
16 PERSONS OF PRUDENCE, DISCRETION, AND INTELLIGENCE EXERCISE IN THE
17 MANAGEMENT OF THEIR OWN AFFAIRS WITH DUE REGARD TO THE
18 PROBABLE INCOME AND LEVEL OF RISK FROM CERTAIN TYPES OF
19 INVESTMENTS OF MONEY, IN ACCORDANCE WITH THE POLICIES
20 ESTABLISHED BY THE BOARD.

21 (e) TO COLLECT APPLICATION, ACCOUNT, OR ADMINISTRATIVE FEES
22 TO DEFRAY THE COSTS OF ADMINISTERING THE PROGRAM;

23 (f) TO CREATE A GRANT PROGRAM TO INCENTIVIZE COMPLIANCE
24 WITH THE PROGRAM AND DEFRAY THE COSTS OF SMALL BUSINESSES WITH
25 FIVE TO TWENTY-FIVE EMPLOYEES;

26 (g) TO SEEK AND ACCEPT GIFTS, GRANTS, AND DONATIONS TO BE
27 USED FOR THE GRANT PROGRAM AND FOR THE PURPOSES OF THIS ARTICLE

1 54.3, UNLESS SUCH GIFTS, GRANTS, OR DONATIONS WOULD RESULT IN A
2 CONFLICT OF INTEREST RELATING TO THE SOLICITATION OF VENDORS FOR
3 PROGRAM ADMINISTRATION;

4 (h) TO MAKE AND ENTER INTO CONTRACTS, AGREEMENTS, OR
5 ARRANGEMENTS, AND TO RETAIN, EMPLOY, AND CONTRACT FOR ANY OF
6 THE FOLLOWING SERVICES CONSIDERED NECESSARY OR DESIRABLE, FOR
7 CARRYING OUT THE PURPOSES SET FORTH IN THIS ARTICLE 54.3:

8 (I) SERVICES OF PRIVATE AND PUBLIC FINANCIAL INSTITUTIONS,
9 DEPOSITORIES, CONSULTANTS, INVESTMENT ADVISERS, INVESTMENT
10 ADMINISTRATORS, AND THIRD-PARTY PROGRAM ADMINISTRATORS;

11 (II) RESEARCH, TECHNICAL, AND OTHER SERVICES; AND

12 (III) SERVICES OF OTHER STATE AGENCIES TO ASSIST THE BOARD
13 IN ITS DUTIES;

14 (i) TO SET PENALTIES FOR EMPLOYERS THAT DO NOT COMPLY WITH
15 THE REQUIREMENTS OF THE PROGRAM AND WORK WITH THE DEPARTMENT
16 OF LABOR AND EMPLOYMENT TO ENFORCE COMPLIANCE WITH THE
17 PROGRAM;

18 (j) TO EVALUATE THE NEED AND PROCEDURES, IF NECESSARY, FOR
19 THE PROGRAM, PROGRAM ADMINISTRATION, AND BOARD MEMBERS TO
20 HAVE PRIVATE INSURANCE;

21 (k) TO DEVELOP AND IMPLEMENT AN OUTREACH PLAN TO GAIN
22 INPUT AND DISSEMINATE INFORMATION REGARDING THE PROGRAM AND
23 RETIREMENT SAVINGS IN GENERAL;

24 (l) TO ASSESS THE FEASIBILITY OF MULTI-STATE OR REGIONAL
25 AGREEMENTS TO ADMINISTER THE PROGRAM THROUGH SHARED
26 ADMINISTRATIVE RESOURCES AND ENTER INTO THOSE AGREEMENTS IF
27 DETERMINED BENEFICIAL; AND

1 (m) TO INCLUDE FINANCIAL EDUCATION AS A PART OF THE SECURE
2 SAVINGS PROGRAM IMPLEMENTATION TO THE EXTENT FEASIBLE GIVEN
3 AVAILABLE RESOURCES.

4 (2) THE BOARD MAY ENTER INTO INTERGOVERNMENTAL
5 AGREEMENTS WITH THE SECRETARY OF STATE, THE DEPARTMENT OF
6 REVENUE, THE DEPARTMENT OF LABOR AND EMPLOYMENT, AND ANY
7 OTHER AGENCY THAT THE BOARD DEEMS APPROPRIATE TO PROVIDE
8 OUTREACH, TECHNICAL ASSISTANCE, OR COMPLIANCE SERVICES FOR THE
9 PURPOSES OF THIS ARTICLE 54.3. ANY AGENCY THAT ENTERS INTO AN
10 INTERGOVERNMENTAL AGREEMENT WITH THE BOARD PURSUANT TO THIS
11 SECTION SHALL COLLABORATE WITH THE BOARD TO PROVIDE THE
12 OUTREACH, TECHNICAL ASSISTANCE, OR COMPLIANCE SERVICES TO THE
13 BOARD.

14 **SECTION 6.** In Colorado Revised Statutes, 24-54.3-104, **amend**
15 (1), (2) introductory portion, (2)(c), (2)(e), (2)(h), (2)(k), and (2)(l); and
16 **add** (6) as follows:

17 **24-54.3-104. Colorado secure savings program - development.**

18 (1) (a) The board shall ~~conduct or cause to be conducted detailed market~~
19 ~~and financial analyses to determine the financial feasibility and~~
20 ~~effectiveness of creating a retirement savings plan in the form of~~
21 DEVELOP an automatic enrollment payroll deduction IRA, to be known as
22 the Colorado secure savings plan. For purposes of the analyses specified
23 in this subsection (1), PROGRAM. The ~~plan would~~ PROGRAM WILL not be
24 a defined benefit plan and the board shall ~~make the assumptions~~ ADHERE
25 TO THE CRITERIA specified in subsections (1)(b) ~~through~~ TO (1)(g) of this
26 section IN DEVELOPING THE PROGRAM.

27 (b) The state ~~would~~ DOES not have a duty or liability to any party

1 for the payment of any retirement savings benefits accrued by any
2 individual under the Colorado secure savings ~~plan~~ PROGRAM. Any
3 financial liability for the payment of retirement savings benefits in excess
4 of money available under the ~~plan would be~~ PROGRAM IS borne solely by
5 the entities to whom the board contracts to provide insurance to protect
6 the value of the ~~plan~~ PROGRAM.

7 (c) No state board, commission, agency, or any officer or
8 employee thereof ~~would be~~ IS liable for any loss or deficiency resulting
9 from particular investments selected under this article 54.3.

10 (d) Participating employers ~~would~~ DO not have any liability for an
11 employee's decision to participate in, or opt out of, the Colorado secure
12 savings ~~plan~~ PROGRAM or for the investment decisions of the board or of
13 any enrollee.

14 (e) A participating employer ~~would not be~~ IS NOT a fiduciary, or
15 considered to be a fiduciary, over the Colorado secure savings ~~plan~~
16 PROGRAM. A participating employer ~~would~~ DOES not bear responsibility
17 for the administration, investment, or investment performance of the ~~plan~~
18 PROGRAM. EMPLOYERS ARE NOT LIABLE FOR ANY ERRORS OR OMISSIONS
19 ON DISCLOSURE FORMS, THE WEBSITE, OR INFORMATION PROVIDED BY THE
20 STATE. A participating employer ~~would not be~~ IS NOT liable with regard
21 to investment returns, ~~plan~~ PROGRAM design, and benefits paid to ~~plan~~
22 PROGRAM enrollees.

23 (f) Money deposited by enrollees in the Colorado secure savings
24 ~~plan would not be~~ PROGRAM IS NOT property of the state, and the plan
25 ~~would not be~~ IS NOT a department, institution, or agency of the state.
26 Amounts on deposit in the ~~plan would~~ PROGRAM SHALL not be
27 commingled with state money and the state ~~would have no~~ SHALL NOT

1 HAVE A claim to or against, or interest in, such money.

2 (g) The board ~~would be~~ IS responsible for designing and
3 disseminating to all employers an employer implementation packet and
4 an employee information packet, which ~~would include~~ INCLUDES
5 background information on the Colorado secure savings ~~plan~~ PROGRAM
6 and appropriate disclosures for employees. The employee information
7 packet ~~would~~ SHALL also include information on the mechanics of making
8 contributions to the ~~plan~~ PROGRAM and how to opt out of the ~~plan~~
9 PROGRAM.

10 (2) The BOARD SHALL DESIGN THE Colorado secure savings ~~plan~~
11 ~~would be designed~~ PROGRAM to promote greater retirement savings for
12 private sector employees in a convenient, low-cost, and portable manner
13 and ~~would achieve the following~~ THE PROGRAM SHALL:

14 (c) Pool investment money, invest money in the Colorado secure
15 savings ~~plan~~ PROGRAM to achieve cost savings through efficiencies and
16 economies of scale, and make or enter into contracts with up to three
17 investment managers, private financial institutions, and other service
18 providers to invest money and administer the ~~plan~~ PROGRAM. If fewer
19 than three entities bid to be investment managers or meet the
20 qualifications to be an investment manager as determined by the board,
21 the ~~plan would~~ PROGRAM MAY proceed with fewer than three investment
22 managers.

23 (e) Minimize total annual fees associated with the Colorado secure
24 savings ~~plan~~ PROGRAM. For the first five years of operation of the ~~plan~~
25 PROGRAM, total annual fees associated with the ~~plan~~ PROGRAM shall not
26 exceed one percent of the total value of the ~~plan's~~ PROGRAM'S assets. In
27 the sixth year of the operation of the ~~plan~~ PROGRAM and in each year

1 thereafter, the total annual fees associated with the ~~plan~~ PROGRAM shall
2 not exceed three-quarters of one percent of the total value of the ~~plan's~~
3 PROGRAM'S assets.

4 (h) Ensure that employers in all of Colorado's industries are
5 covered by the Colorado secure savings ~~plan~~ PROGRAM and that
6 employees in all of Colorado's industries can participate in the ~~plan~~
7 PROGRAM;

8 (k) Allow employers who are not covered by the Colorado secure
9 savings ~~plan~~ PROGRAM to voluntarily participate in the ~~plan~~ PROGRAM;
10 and

11 (l) Allow individuals who are not considered employees under the
12 Colorado secure savings ~~plan~~ PROGRAM but who meet the qualifications
13 to open an IRA to voluntarily participate in the ~~plan~~ PROGRAM.

14 (6) EMPLOYERS ARE REQUIRED TO COMPLY WITH THE
15 REQUIREMENTS OF THE PROGRAM DEVELOPED PURSUANT TO THIS ARTICLE
16 54.3.

17 **SECTION 7.** In Colorado Revised Statutes, **add** 24-54.3-107,
18 24-54.3-108, 24-54.3-109, 24-54.3-110, and 24-54.3-111 as follows:

19 **24-54.3-107. Colorado secure savings program - rules.** (1) THE
20 BOARD SHALL ADOPT RULES THAT:

21 (a) ESTABLISH THE PROCESS FOR ENROLLMENT IN THE PROGRAM
22 DEVELOPED PURSUANT TO SECTION 24-54.3-104, INCLUDING PROCEDURES
23 FOR AUTOMATIC ENROLLMENT OF EMPLOYEES AND FOR EMPLOYEES TO OPT
24 OUT OF THE PROGRAM;

25 (b) ESTABLISH THE PROCESS FOR WITHDRAWAL FROM PROGRAM
26 ACCOUNTS, INCLUDING ALLOWING AN EMPLOYEE TO WITHDRAW MONEY
27 WITHOUT PENALTY FROM THE PROGRAM FOR AT LEAST THE FIRST TWO

1 YEARS OF ENROLLMENT WITHIN THE PROGRAM;

2 (c) ESTABLISH THE PROCESS FOR PARTICIPANTS TO MAKE THE
3 DEFAULT CONTRIBUTION OF FIVE PERCENT TO PROGRAM ACCOUNTS AND
4 TO ADJUST THE CONTRIBUTION LEVELS, INCLUDING MECHANISMS FOR
5 AUTOMATIC ADJUSTMENTS OF CONTRIBUTION LEVELS;

6 (d) ESTABLISH THE PROCESS FOR EMPLOYERS TO WITHHOLD
7 EMPLOYEE CONTRIBUTIONS TO PROGRAM ACCOUNTS FROM EMPLOYEES'
8 WAGES AND SEND THE CONTRIBUTIONS TO THE PROGRAM ADMINISTRATOR
9 FOR THE PROGRAM WITHIN NO MORE THAN FOURTEEN DAYS OF
10 CONTRIBUTION BEING WITHHELD FROM AN EMPLOYEE'S WAGES;

11 (e) ESTABLISH THE PROCESS FOR PARTICIPANTS TO MAKE
12 NONPAYROLL CONTRIBUTIONS TO PROGRAM ACCOUNTS;

13 (f) SET MINIMUM AND MAXIMUM CONTRIBUTION LEVELS IN
14 ACCORDANCE WITH LIMITS ESTABLISHED BY THE INTERNAL REVENUE
15 CODE;

16 (g) (I) ESTABLISH THE PROCESS AND REQUIREMENTS FOR
17 EMPLOYER EXEMPTION FROM OFFERING THE PROGRAM IF THE EMPLOYER
18 OFFERS A QUALIFIED RETIREMENT PLAN, INCLUDING BUT NOT LIMITED TO
19 A PLAN QUALIFIED UNDER SECTION 401 (a), SECTION 401 (k), SECTION 403
20 (a), SECTION 403 (b), SECTION 408 (k), SECTION 408 (p), OR SECTION 457
21 (b) OF THE INTERNAL REVENUE CODE;

22 (II) THE PROCESS FOR EXEMPTION SHALL BE MINIMAL FOR
23 EMPLOYERS AND THE BOARD SHALL USE EXISTING STATE FORMS AND
24 STATE COMPLIANCE STRUCTURES FOR EXEMPTION REPORTING;

25 (III) THE PROCESS FOR EXEMPTION SHALL ALLOW EMPLOYERS TO
26 BECOME EXEMPT IF THE EMPLOYER ENTERS INTO LEGALLY COMPLIANT
27 MULTIPLE EMPLOYER PLANS;

1 (h) ESTABLISH THE PROCESS AND REQUIREMENTS FOR PROVIDING
2 GRANTS TO INCENTIVIZE COMPLIANCE WITH THE PROGRAM AND DEFRAY
3 COSTS INCURRED BY SMALL BUSINESSES WITH FIVE TO TWENTY-FIVE
4 EMPLOYEES; EXCEPT THAT A GRANT FOR A SINGLE EMPLOYER SHALL NOT
5 EXCEED THREE-HUNDRED DOLLARS;

6 (i) (I) ESTABLISH MINIMAL FINES FOR EMPLOYER NONCOMPLIANCE
7 IN AN AMOUNT UP TO ONE HUNDRED DOLLARS FOR EACH EMPLOYEE PER
8 YEAR WHO IS ELIGIBLE TO PARTICIPATE IN THE PROGRAM, NOT TO EXCEED
9 AN AGGREGATE AMOUNT OF FIVE THOUSAND DOLLARS IN A CALENDAR
10 YEAR;

11 (II) ENFORCEMENT OF FINES SHALL NOT COMMENCE UNTIL AT
12 LEAST ONE YEAR AFTER THE PROGRAM IS ESTABLISHED OR ONE YEAR
13 AFTER AN EMPLOYER IS SCHEDULED TO ENTER THE PROGRAM, WHICHEVER
14 IS LATER;

15 (III) AN EMPLOYER SHALL NOT BE FINED UNTIL THREE MONTHS
16 AFTER THE EMPLOYER HAS RECEIVED A NOTICE OF NONCOMPLIANCE;

17 (j) ESTABLISH THE PROCESS FOR ENFORCING EMPLOYER
18 COMPLIANCE WITH THE PROGRAM, IN PARTNERSHIP WITH THE
19 DEPARTMENT OF LABOR AND EMPLOYMENT; AND

20 (k) MANDATE THE CONTENTS AND FREQUENCY OF REQUIRED
21 DISCLOSURES TO EMPLOYEES, EMPLOYERS, AND OTHER PROGRAM
22 PARTICIPANTS. THESE DISCLOSURES MUST INCLUDE, BUT NEED NOT BE
23 LIMITED TO:

24 (I) THE BENEFITS AND RISKS ASSOCIATED WITH MAKING
25 CONTRIBUTIONS TO THE PROGRAM;

26 (II) INSTRUCTIONS FOR MAKING CONTRIBUTIONS TO THE PROGRAM;

27 (III) INSTRUCTIONS FOR OPTING OUT OF THE PROGRAM;

1 (IV) INSTRUCTIONS FOR PARTICIPATING IN THE PROGRAM WITH A
2 LEVEL OF CONTRIBUTIONS OTHER THAN THE DEFAULT RATE;

3 (V) THE PROCESS FOR WITHDRAWING RETIREMENT SAVINGS IN
4 ACCORDANCE WITH THE EMPLOYEE'S INVESTMENT TYPE;

5 (VI) HOW TO OBTAIN ADDITIONAL INFORMATION ABOUT THE
6 PROGRAM;

7 (VII) THAT EMPLOYEES SEEKING FINANCIAL ADVICE SHOULD
8 WORK WITH THE PROGRAM ADMINISTRATOR OR CONTACT FINANCIAL
9 ADVISERS, THAT PARTICIPATING EMPLOYERS ARE NOT IN A POSITION TO
10 PROVIDE FINANCIAL ADVICE, AND THAT PARTICIPATING EMPLOYERS ARE
11 NOT LIABLE FOR DECISIONS EMPLOYEES MAKE IN CONNECTION WITH THEIR
12 PARTICIPATION IN THE PROGRAM;

13 (VIII) THAT THE PROGRAM IS NOT AN EMPLOYER-SPONSORED
14 RETIREMENT PLAN;

15 (IX) THAT THE PROGRAM ACCOUNTS AND RATE OF RETURN ARE
16 NOT GUARANTEED BY THE STATE; AND

17 (X) THE POSSIBLE TAX IMPLICATIONS AND RESTRICTIONS OF
18 INDIVIDUAL RETIREMENT ACCOUNTS.

19 **24-54.3-108. Colorado secure savings program fund - creation.**

20 (1) THE COLORADO SECURE SAVINGS FUND, REFERRED TO IN THIS SECTION
21 AS THE "FUND", IS HEREBY CREATED IN THE STATE TREASURY. THE FUND
22 CONSISTS OF THE FOLLOWING:

23 (a) MONEY APPROPRIATED TO THE FUND BY THE GENERAL
24 ASSEMBLY;

25 (b) MONEY TRANSFERRED TO THE FUND FROM THE FEDERAL
26 GOVERNMENT, OTHER STATE AGENCIES, OR LOCAL GOVERNMENTS;

27 (c) MONEY FROM THE PAYMENT OF FEES, PENALTIES, AND THE

1 PAYMENT OF OTHER MONEY DUE TO THE BOARD; AND

2 (d) ANY GIFTS, GRANTS, OR DONATIONS MADE TO THE BOARD, AND
3 ANY GIFTS, GRANTS, DONATIONS, OR INVESTMENTS RECEIVED BY THE
4 STATE TREASURER.

5 (2) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
6 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
7 FUND TO THE FUND.

8 (3) ANY UNEXPENDED AND UNENCUMBERED MONEYS REMAINING
9 IN THE FUND AT THE END OF A FISCAL YEAR SHALL REMAIN IN THE FUND.

10 (4) MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE
11 BOARD FOR THE PURPOSES OF IMPLEMENTING AND ADMINISTERING THIS
12 ARTICLE 54.3.

13 **24-54.3-109. Implementation and administration - costs.** THE
14 STATE TREASURER MAY SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS,
15 DONATIONS, OR INVESTMENTS NOT REQUIRED TO BE REPAYED, FROM
16 PRIVATE OR PUBLIC SOURCES FOR THE COSTS ASSOCIATED WITH THE
17 ADMINISTRATION OF THIS ARTICLE 54.3.

18 **24-54.3-110. Confidentiality.** INDIVIDUAL ACCOUNT
19 INFORMATION FOR ACCOUNTS UNDER THE PROGRAM DEVELOPED
20 PURSUANT TO SECTION 24-54.3-104, INCLUDING BUT NOT LIMITED TO
21 NAMES, ADDRESSES, TELEPHONE NUMBERS, PERSONAL IDENTIFICATION
22 INFORMATION, AMOUNTS CONTRIBUTED, AND EARNINGS ON AMOUNTS
23 CONTRIBUTED, IS CONFIDENTIAL AND SHALL BE MAINTAINED AS
24 CONFIDENTIAL; EXCEPT THAT INDIVIDUAL ACCOUNT INFORMATION MAY BE
25 DISCLOSED TO THE EXTENT NECESSARY TO ADMINISTER THE PROGRAM
26 DEVELOPED PURSUANT TO SECTION 24-54.3-104 IN A MANNER CONSISTENT
27 WITH THIS ARTICLE 54.3, STATE TAX LAWS, AND THE INTERNAL REVENUE

1 CODE. THE PROVISIONS OF THIS SECTION DO NOT APPLY IF THE PERSON
2 WHO PROVIDES THE INFORMATION OR IS THE SUBJECT OF THE
3 INFORMATION EXPRESSLY AGREES IN WRITING THAT THE INFORMATION
4 MAY BE DISCLOSED.

5 **24-54.3-111. Annual report.** NOTWITHSTANDING THE PROVISIONS
6 OF SECTION 24-1-136 (11), ON OR BEFORE APRIL 1, 2022, AND ON OR
7 BEFORE APRIL 1 EACH YEAR THEREAFTER, THE BOARD SHALL SUBMIT A
8 REPORT TO THE GOVERNOR AND TO THE MEMBERS OF THE FINANCE
9 COMMITTEES OF THE SENATE AND THE HOUSE OF REPRESENTATIVES, OR
10 ANY SUCCESSOR COMMITTEES, DETAILING THE BOARD'S ACTIVITIES AND
11 THE STATUS OF THE PROGRAM. AT A MINIMUM, THE REPORT SHALL
12 INCLUDE STATISTICS REGARDING ENROLLMENT IN THE PROGRAM, THE
13 NUMBER OF PROGRAM ACCOUNTS OPENED, THE AVERAGE AMOUNT
14 EMPLOYEES ARE SAVING THROUGH THE PROGRAM, AVERAGE
15 CONTRIBUTION LEVELS, A SUMMARY OF COMMON COMPLAINTS OR
16 CONCERNS ABOUT THE PROGRAM, AND INFORMATION REGARDING THE
17 ADMINISTRATIVE COSTS AND FEES ASSOCIATED WITH THE PROGRAM.

18 **SECTION 8.** In Colorado Revised Statutes, **repeal** 24-54.3-104
19 (2)(f), (2)(j), (3), (4), and (5), 24-54.3-105, and 24-54.3-106.

20 **SECTION 9. Appropriation - adjustments to 2020 long bill.** To
21 implement this act, the general fund appropriation made in the annual
22 general appropriation act for the 2020-21 state fiscal year to the office of
23 the governor for use by the office of information technology for
24 applications administration is decreased by \$1,197,552.

25 **SECTION 10. Appropriation.** (1) For the 2020-21 state fiscal
26 year, \$1,197,552 is appropriated to the department of the treasury. This
27 appropriation is from the general fund. Any money appropriated in this

1 section not expended prior to July 1, 2021, is further appropriated to the
2 department for the 2021-22 state fiscal year for the same purpose. To
3 implement this act, the department may use this appropriation as follows:

4 (a) \$1,133,592 for the Colorado secure savings program, which
5 amount is based on an assumption that the department will require an
6 additional 5.0 FTE; and

7 (b) \$63,960 for the purchase of legal services.

8 (2) For the 2020-21 state fiscal year, \$63,960 is appropriated to the
9 department of law. This appropriation is from reappropriated funds
10 received from the department of the treasury under subsection (1)(b) of
11 this section and is based on an assumption that the department of law will
12 require an additional 0.3 FTE. To implement this act, the department of
13 law may use this appropriation to provide legal services for the
14 department of the treasury.

15 **SECTION 11. Safety clause.** The general assembly hereby finds,
16 determines, and declares that this act is necessary for the immediate
17 preservation of the public peace, health, or safety.