

1.1 moves to amend H.F. No. 2419 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. **REPORT; RETIREMENT SAVINGS PLAN.**

1.4 (a) The commissioner of management and budget must report to the legislature by
1.5 January 15, 2015, on the potential for a state-administered retirement savings plan to
1.6 serve employees without access to either an automatic enrollment payroll deduction IRA
1.7 maintained or offered by their employer, or a multi-employer retirement plan or qualifying
1.8 retirement plan or arrangement described in sections 414(f) and 219(g)(5), respectively,
1.9 of the Internal Revenue Code of 1986, as amended through April 14, 2011. The potential
1.10 state-administered plan would provide for individuals to make contributions to their own
1.11 accounts to be pooled and invested by the State Board of Investment, with the benefit
1.12 consisting of the balance in each individual's account, and with the state having no
1.13 liability for investment earnings and losses, while discouraging employers from dropping
1.14 existing retirement plan options.

1.15 (b) The report must include:

1.16 (1) estimates of the number of Minnesota workers who could be served by the
1.17 potential state-administered plan, and the participation rate that would make the plan
1.18 self-sustaining;

1.19 (2) the effect of federal tax laws and the federal Employee Retirement Income
1.20 Security Act on a potential state-administered plan and on participating employers and
1.21 employees, including coverage and potential gaps in consumer protections;

1.22 (3) the potential use and availability of investment strategies, private insurance,
1.23 underwriting, or reinsurance against loss to limit or eliminate potential state liability
1.24 and manage risk to the principal;

1.25 (4) options for the process by which individuals would enroll in and contribute to
1.26 the plan;

2.1 (5) projected costs of administration, record keeping, and investment management,
2.2 including staffing, legal, compliance, licensing, procurement, communications with
2.3 employers and employees, oversight, marketing, technology and infrastructure, and the fee
2.4 needed to cover these costs as a percentage of the average daily net assets of the potential
2.5 state-administered plan, relative to asset size, with estimates of investment-related fees
2.6 determined in consultation with the State Board of Investment; and

2.7 (6) a comparison of a potential state-administered plan to private sector and federal
2.8 government retirement savings options with regard to participation rates, contribution
2.9 rates, risk-adjusted return expectations, fees, and any other factors determined by
2.10 the commissioner, which may include suitability in meeting the investment needs of
2.11 participants.

2.12 (c) Subject to available appropriation, the report may include:

2.13 (1) estimates of the average amount of savings and other financial resources residents
2.14 of Minnesota have upon retirement and those that are recommended for a financially
2.15 secure retirement in Minnesota;

2.16 (2) estimates of the relative progress toward achieving the savings recommended for
2.17 a financially secure retirement by gender, race, and ethnicity;

2.18 (3) barriers to savings and reasons individuals and employers may not be
2.19 participating in existing private sector retirement plans;

2.20 (4) the estimated impact on publicly funded social safety net programs attributable
2.21 to insufficient retirement savings, and the aggregate effect of potential state-administered
2.22 plan options on publicly funded social safety net programs and the state economy;

2.23 (5) the effect of federal tax laws and the federal Employee Retirement Income
2.24 Security Act on a potential state-administered plan that allowed for voluntary employer
2.25 contributions, either commingled with or segregated from employee contributions;

2.26 (6) options for a potential state-administered plan to use group annuities to ensure a
2.27 stable stream of retirement income throughout beneficiaries' retirement years;

2.28 (7) alternative ways and costs for the state to encourage similar outcomes to a
2.29 state-administered plan; and

2.30 (8) other topics that the commissioner determines are relevant to legislative
2.31 consideration of possible establishment of a state-administered plan.

2.32 (d) The commissioner may meet any of the topics in paragraph (c) by reporting the
2.33 results of a request for public comment.

2.34 **Sec. 2. APPROPRIATION.**

3.1 \$300,000 is appropriated for the fiscal year ending June 30, 2014, from the general
3.2 fund to the commissioner of management and budget for purposes of section 1. This
3.3 appropriation is available until spent.

3.4 Sec. 3. **EFFECTIVE DATE.**

3.5 Sections 1 and 2 are effective the day following final enactment."