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1   _____ BILL NO. _____

2   INTRODUCED BY _____
                                                    (Primary Sponsor)

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4   A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING AN AUTO-IRA TASK FORCE TO STUDY STATE-

5   FACILITATED PAYROLL DEDUCTION INDIVIDUAL RETIREMENT ACCOUNTS; REQUIRING THE

6   DEPARTMENT OF LABOR AND INDUSTRY TO ESTABLISH THE TASK FORCE; ALLOWING FOR

7   CONTRACTED SERVICES; PROVIDING AN APPROPRIATION; AND PROVIDING AN EFFECTIVE DATE

8   AND A TERMINATION DATE."

9

10   WHEREAS, several states have enacted legislation or established policy to support state-facilitated

11   payroll deduction individual retirement accounts, known as auto-IRAs; and

12   WHEREAS, the public health and economic crisis catalyzed by COVID-19 has quickly revealed the lack

13   of financial resources and economic resiliency of a large percentage of Montanans, and specifically those

14   citizens who would benefit from having access to a state-facilitated auto-IRA account; and

15   WHEREAS, lack of retirement savings will potentially add exorbitant and compounding costs to the

16   state's general fund budget; and

17   WHEREAS, in similar program proposals, both Colorado and Pennsylvania estimated between $10

18   billion and $14 billion in estimated costs as a result of lack of retirement savings, and it is expected that

19   Montana could experience an equivalent impact; and

20   WHEREAS, to mitigate these concerns, many states have turned to auto-IRA models that incorporate

21   income stream distribution options, as well as more conventional asset-allocation investment choices.

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23   BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

24

25   NEW SECTION. **Section 1.   Auto-IRA task force -- membership -- duties -- reporting.** (1) The

26   department of labor and industry provided for in 2-15-1701 shall convene an auto-IRA task force.

27   (2)   Task force members are as follows:

28   (a)   two members of the house of representatives appointed by the speaker of the house with the

1   concurrence of the house minority leader, one from the majority party and one from the minority party;

2   (b)   two senators appointed by the president of the senate with the concurrence of the senate minority

3   leader, one from the majority party and one from the minority party;

4   (c)   the director of the department of labor and industry, or the department director's designee;

5   (d)   the deputy commissioner of securities;

6   (e)   one licensed financial adviser selected by the department of labor and industry;

7   (f)   two Montana business owners, both selected by the department of labor and industry; and

8   (g)   one senior advocate who represents interests of retirees, selected by the department of labor and

9   industry.

10   (3)   The task force shall:

11   (a)   examine options for a state-facilitated auto-IRA program in the state and necessary actions to

12   remove barriers impeding participation by both employers and employees;

13   (b)   review elements of a program, including but not limited to:

14   (i)   mechanisms that maximize the number of employers who offer opportunities to participate in

15   workplace savings plans, including only minimally intrusive obligations on employers in facilitating the programs

16   to their employees and opportunities for volunteer programs;

17   (ii) automatic enrollment and automatic payroll deductions, with an opt-out structure for employee

18   participation;

19   (iii) simple and easy to understand auto-IRA program design and easy to implement investment

20   options; and

21   (iv) self-sustaining funding structures that do not require or risk continued state financial support when

22   the program breakeven is achieved; and

23   (c)   analyze educational measures and investment strategies or vehicles that facilitate the conversion,

24   at low costs, of account balances accumulated during an employment career into a reliable stream of income

25   throughout retirement.

26   (4)   The task force may hire an outside consultant to assist the task force in preparing a market

27   analysis looking at population and demographics and a feasibility analysis of the costs and benefits of a

28   proposed program.

1   (5)   Members of the task force must be compensated as provided in 2-15-124 and must be reimbursed

2   for travel expenses as provided in 2-18-501 through 2-18-503. Members of the task force who are full-time

3   salaried officers or employees of the state or of any political subdivision of the state are entitled to their regular

4   compensation. Legislator members must be compensated as provided in 5-2-302.

5   (6)   The task force shall complete its work and issue a report of its findings and recommendations to

6   the state administration and veterans' affairs interim committee provided for in 5-5-228 by September 15, 2022.

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8   NEW SECTION. **Section 2.   Appropriation.** There is appropriated $120,000 from the general fund to

9   the department of labor and industry for the biennium beginning July 1, 2021, to convene the task force

10   established in [section 1] and to complete the study outlined in [section 1].

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12   NEW SECTION. **Section 3.   Effective date.** [This act] is effective July 1, 2021.

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14   NEW SECTION. **Section 4.   Termination.** [This act] terminates June 30, 2023.

15   - END -

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