

STATEMENT OF PURPOSE

RS28486 / H0180

This act responds to a recent report issued by the Office of Performance Evaluation (OPE) over-viewing the “Preparedness of Idahoans to Retire”. The act authorizes the state to develop a program that facilitates Idahoans voluntary enrollment into an auto payroll deduction retirement system if they do not have access to a workplace retirement plan. Administration and budgeting for the act is placed in the office of the state Treasurer and is advised by an appointed nine-member non-compensated board. The act directs the development and dissemination of employer-employee information and education materials to aid in voluntary enrollment. The act protects confidentiality of participant information and provides liability protection to the state. The act will provide for a phased in development and implementation schedule beginning July 1, 2021 with operation scheduled for June 30, 2022.

FISCAL NOTE

According to initial modeling in the OPE report, approximately \$400,000 per year for up to four years will be required for development and roll-out with decreasing amounts over seven additional years depending upon participant fee revenue collected to offset appropriations. With revenues from participant fees each year, after year six the program is projected to become self-sustaining, and revenue neutral after eleven years in FY2033. At that time, it is estimated there may be \$2.2 billion in retirement savings with 193,000 active accounts.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).