
Trade groups give one cheer for Maryland retirement proposal

By Kerry Pechter Thu, Feb 27, 2014

"We will not allow the process to be derailed by other agendas; if a proposal does not meet our criteria, we will do everything we can to oppose and defeat it," said ASPPA and NAPA in response to Maryland legislation that calls for retirement plans in every workplace.

Following California, the Maryland legislature is considering legislation that would require nearly all private businesses in the state to provide a workplace retirement savings plan for their employees, according a report in NAPA.net.

The bill would also establish the Maryland Secure Choice Savings Trust, a state-run auto-IRA program for private employers that do not wish to use a private provider to satisfy the requirement.

Private employers who currently offer a private retirement savings plan of any type for employees would not have to do anything new.

In a release, ASPPA and NAPA, trade groups of retirement plan administrators and advisers, said:

"Proposals mandating retirement plan coverage for private employers remain attractive to state legislators who recognize that a failure to address the retirement plan coverage gap means future retirees could be more dependent on social services, straining state resources. As a result, there has been a flurry of legislative activity in multiple states addressing this issue.

"ASPPA and NAPA have been actively engaged in these state legislative efforts. Our goal: to ensure that these bills include four key criteria:

- Any legislation must require private employers above a certain size to offer some type of retirement savings program to employees.
- Any type of private retirement savings product must be allowed to meet the requirement.
- If state legislators believe that a state-run retirement program is necessary, then that program must be an IRA-based program exempt from ERISA.
- Any legislation must include the creation of an online private vendor clearinghouse — a convenient place for private employers to learn about private retirement products that satisfy the requirement.

As a result of offering constructive solutions that make sense to address the coverage problem, ASPPA and NAPA have been given a seat at the table. In the case of the Maryland legislation, for example, Brian Graff, executive director/CEO of ASPPA and NAPA, was invited to participate in a Feb. 20 legislative hearing on the proposal.

"ASPPA and NAPA will continue to work closely and collaboratively with the sponsors of the Maryland bill to ensure that this legislative effort will squarely address the problem of workplace-based retirement plan coverage and access.

“In Maryland and other states, we will not allow the process to be derailed by other agendas; if a proposal does not meet our criteria, we will do everything we can to oppose and defeat it.”

© 2014 RIJ Publishing LLC. All rights reserved.