

STATE OF NEW YORK

8508

IN ASSEMBLY

January 4, 2024

Introduced by M. of A. STIRPE -- read once and referred to the Committee on Governmental Employees

AN ACT to amend the general business law, in relation to enrollees in the New York state secure choice savings program; and to repeal section 1310-a of such law relating thereto

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Subdivisions 5, 9, 10, 11 and 12 of section 1300 of the
2 general business law, as amended by a chapter of the laws of 2023 amend-
3 ing the general business law relating to the secure choice savings
4 program and participating individuals, as proposed in legislative bills
5 numbers S. 2399 and A. 4529, are amended to read as follows:

6 5. "Enrollee" shall mean any employee or [~~participating~~] individual
7 who is enrolled in the program.

8 9. [~~"Participating individual" means any individual who is eighteen~~
9 ~~years of age or older and has New York taxable income as defined in~~
10 ~~section six hundred eleven of the tax law within a calendar year, who~~
11 ~~enrolls in the program independent of an employment relationship with an~~
12 ~~eligible employer, maintains an account in the program, and is not a~~
13 ~~participating employee.~~

14 ~~10.~~ "Payroll deduction IRA" shall mean an arrangement by which a
15 participating employer facilitates access for [~~employees~~] enrollees to
16 remit payroll deduction contributions to the program.

17 [~~11.~~] 10. "Program" shall mean the New York state secure choice
18 savings program.

19 [~~12.~~] 11. "Wages" means any compensation within the meaning of section
20 219(f)(1) of the Internal Revenue Code that is received by an enrollee
21 from a participating employer [~~or by a participating individual~~] during
22 the calendar year.

23 § 2. Section 1301 of the general business law, as amended by a chapter
24 of the laws of 2023 amending the general business law relating to the
25 secure choice savings program and participating individuals, as proposed
26 in legislative bills numbers S. 2399 and A. 4529, is amended to read as
27 follows:

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 § 1301. Program established. There is hereby established a retirement
2 savings program in the form of an automatic enrollment payroll deduction
3 IRA [~~for private sector employees and a retirement savings program in~~
4 ~~the form of a personal IRA as established by the board for participating~~
5 ~~individuals~~], known as the New York state secure choice savings program.
6 The general administration and responsibility for the proper operation
7 of the program shall be administered by the board for the purpose of
8 promoting greater retirement savings for private-sector employees [~~and~~
9 ~~participating individuals~~] in a convenient, low-cost, and portable
10 manner. The board may delegate such authority and responsibility for the
11 development and implementation of the program to the department of tax-
12 ation and finance as the board deems proper.

13 § 3. Subdivision 3 of section 1303 of the general business law, as
14 amended by a chapter of the laws of 2023 amending the general business
15 law relating to the secure choice savings program and participating
16 individuals, as proposed in legislative bills numbers S. 2399 and A.
17 4529, is amended to read as follows:

18 3. by using any contributions paid by [~~participating individuals,~~]
19 employees, and employers remitting employees' own contributions into the
20 fund exclusively for the purpose of paying benefits to the enrollees of
21 the program, for the cost of administration of the program, and for
22 investments made for the benefit of the program.

23 § 4. Subdivisions 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20 and 21 of
24 section 1304 of the general business law, as amended by a chapter of the
25 laws of 2023 amending the general business law relating to the secure
26 choice savings program and participating individuals, as proposed in
27 legislative bills numbers S. 2399 and A. 4529, are amended and a new
28 subdivision 7-a is added to read as follows:

29 7-a. Evaluate and establish or authorize a process by which an indi-
30 vidual or an employee of a nonparticipating employer may enroll in, make
31 contributions to and otherwise participate in the program.

32 10. [~~Evaluate and establish or authorize the process for the partic-~~
33 ~~ipation and enrollment of any participating individual.~~

34 ~~11.~~ Evaluate, or cause to be evaluated, the need for, and procure as
35 needed, insurance against any and all loss in connection with the prop-
36 erty, assets, or activities of the program, and indemnify as needed each
37 member of the board from personal loss or liability resulting from a
38 member's action or inaction as a member of the board.

39 [~~12.~~ 11. Make provisions for the payment of administrative costs and
40 expenses for the creation, management, and operation of the program.
41 Subject to appropriation, the state may pay administrative costs associ-
42 ated with the creation and management of the program until sufficient
43 assets are available in the program for that purpose. Thereafter, all
44 administrative costs of the program, including repayment of any start-up
45 funds provided by the state, shall be paid only out of moneys on deposit
46 therein. However, private funds or federal funding received in order to
47 implement the program until it is self-sustaining shall not be repaid
48 unless those funds were offered contingent upon the promise of such
49 repayment. The board shall keep its annual administrative expenses as
50 low as possible.

51 [~~13.~~ 12. Allocate administrative fees to individual retirement
52 accounts in the program on a pro rata basis.

53 [~~14.~~ 13. Set or authorize minimum and maximum contribution levels in
54 accordance with limits established for IRAs by the Internal Revenue
55 Code.

1 ~~[15.]~~ **14.** Facilitate education and outreach to employers and employees
2 ~~[and facilitate the development of educational materials for participat-~~
3 ~~ing individuals].~~

4 ~~[16.]~~ **15.** Facilitate compliance by the program with all applicable
5 requirements for the program under the Internal Revenue Code, including
6 tax qualification requirements or any other applicable legal, financial
7 reporting and accounting requirements.

8 ~~[17.]~~ **16.** Carry out the duties and obligations of the program in an
9 effective, efficient, and low-cost manner.

10 ~~[18.]~~ **17.** Exercise any and all other powers reasonably necessary for
11 the effectuation of the purposes, objectives, and provisions of this
12 article.

13 ~~[19.]~~ **18.** Determine or authorize withdrawal provisions, such as
14 economic hardships, portability and leakage.

15 ~~[20.]~~ **19.** Determine ~~[enrollee]~~ **employee** rights and enforcement of
16 penalties.

17 ~~[21.]~~ **20.** Delegate such authority and responsibility for the develop-
18 ment and implementation of the program to the department of taxation and
19 finance as the board deems proper.

20 § 5. Section 1309 of the general business law, as amended by a chapter
21 of the laws of 2023 amending the general business law relating to the
22 secure choice savings program and participating individuals, as proposed
23 in legislative bills numbers S. 2399 and A. 4529, is amended to read as
24 follows:

25 § 1309. Employer and employee ~~[and participating individual]~~ informa-
26 tional materials and disclosure forms. 1. Prior to the opening of the
27 program for enrollment ~~[for employees]~~, the board shall design and
28 disseminate, or cause to be designed and disseminated, to all employers
29 employer informational materials and employee informational materials,
30 which shall include background information on the program, and necessary
31 disclosures as required by law for employees.

32 2. ~~[Prior to the opening of the program for enrollment for participat-~~
33 ~~ing individuals, the board shall design and make publicly available~~
34 ~~informational materials which shall include background information on~~
35 ~~the program and how to participate as a participating individual,~~
36 ~~including but not limited to, information on the benefits and risks~~
37 ~~associated with making contributions to the program, the process for~~
38 ~~making contributions, the contribution levels they may contribute, the~~
39 ~~process for withdrawal of retirement savings, and the process for~~
40 ~~selecting beneficiaries.~~

41 ~~3.]~~ The employee ~~[and participating individual]~~ informationa l materi-
42 als shall be made available in English, Spanish, Haitian Creole,
43 Chinese, Korean, Russian, Arabic, and any other language the board deems
44 necessary.

45 ~~[4.]~~ **3.** The employee ~~[and participating individual]~~ informational
46 materials shall include a disclosure form. The disclosure form shall
47 explain, but not be limited to, all of the following:

48 (a) the benefits and risks associated with making contributions to the
49 program;

50 (b) the process for making contributions to the program;

51 (c) how to opt out of the program;

52 (d) the process by which an employee can participate in the program
53 with a level of employee contributions other than three percent;

54 (e) ~~[the process by which an individual can participate in the program~~
55 ~~as a participating individual,~~

1 ~~(f)~~ that ~~[employees]~~ they are not required to participate or contrib-
2 ute more than three percent;
3 ~~(g)~~ (f) the process for withdrawal of retirement savings;
4 ~~(h)~~ (g) the process for selecting beneficiaries of their retirement
5 savings;
6 ~~(i)~~ (h) how to obtain additional information about the program;
7 ~~(j)~~ (i) that employees ~~[and participating individuals]~~ seeking
8 financial advice should contact financial advisors, that participating
9 employers are not in a position to provide financial advice, and that
10 participating employers are not liable for decisions employees make
11 pursuant to this article;
12 ~~(k)~~ (j) information on how to access any available financial litera-
13 cy programs;
14 ~~(l)~~ (k) that the program fund is not guaranteed by the state; and
15 ~~(m)~~ (l) that they can opt out after they have been enrolled.
16 ~~5.~~ 4. The employee informational materials shall also include a form
17 for an employee to note his or her decision to opt out of participation
18 in the program or elect to participate with a level of employee contrib-
19 utions other than three percent.
20 ~~6.~~ 5. Participating employers shall supply the employee informa-
21 tional materials to existing employees at least one month prior to the
22 participating employers' facilitation of access to the program. Partic-
23 ipating employers shall supply the employee informational materials to
24 new employees at the time of hiring and new employees may opt out of
25 participation in the program.
26 § 6. Subdivision 2 of section 1310 of the general business law, as
27 amended by a chapter of the laws of 2023 amending the general business
28 law relating to the secure choice savings program and participating
29 individuals, as proposed in legislative bills numbers S. 2399 and A.
30 4529, is amended to read as follows:
31 2. ~~[Employees]~~ Enrollees shall have the ability to select a contrib-
32 ution level into the program. This level may be expressed as a percent-
33 age of wages or as a dollar amount up to the deductible amount for the
34 ~~[employee's]~~ enrollee's taxable year under section 219(b)(1)(A) of the
35 Internal Revenue Code. ~~[Employees]~~ Enrollees may change their contrib-
36 ution level at any time, subject to rules promulgated by the board. If
37 an ~~[employee]~~ enrollee fails to select a contribution level using the
38 form described in this article, then he or she shall contribute three
39 percent of his or her wages to the program, provided that such contrib-
40 utions shall not cause the ~~[employee's]~~ enrollee's total contributions
41 to IRAs for the year to exceed the deductible amount for the ~~[employ-~~
42 ~~ee's]~~ enrollee's taxable year under section 219(b)(1)(A) of the Internal
43 Revenue Code. The deduction of contributions from an employee's wages
44 shall not begin until the thirtieth day after such employee has been
45 enrolled in the program.
46 § 7. Section 1310-a of the general business law, as added by a chapter
47 of the laws of 2023 amending the general business law relating to the
48 secure choice savings program and participating individuals, as proposed
49 in legislative bills numbers S. 2399 and A. 4529, is REPEALED.
50 § 8. This act shall take effect on the same date and in the same
51 manner as a chapter of the laws of 2023 amending the general business
52 law relating to the secure choice savings program and participating
53 individuals, as proposed in legislative bills numbers S. 2399 and A.
54 4529, takes effect.