



HOUSE BILL 633: Small Business Retirement Program.

2017-2018 General Assembly

Committee:	House Pensions and Retirement. If favorable, re-refer to Banking	Date:	April 19, 2017
Introduced by:	Reps. Hardister, Ross, Goodman, R. Moore	Prepared by:	Tawanda N. Foster Committee Counsel
Analysis of:	First Edition		

OVERVIEW: *House Bill 633 would create the Voluntary Small Business Retirement Accounts Program.*

BILL ANALYSIS: This bill adds a new Part to Article 10 of Chapter 143B of the General Statutes to create the North Carolina Voluntary Business Retirement Accounts Program.

Section 1 creates the Program to provide a cost-effective group retirement option for employers and employees of small nongovernmental entities as follows:

- Establishes the program and creates the North Carolina Voluntary Employee Retirement Accounts Board to be administratively housed in the Department of Commerce. The Board shall consist of six members as follows:
 - Two appointed by the Governor, at least one of whom shall have experience in the financial industry related to retirement.
 - Two appointed by the Senate upon the recommendation of the President Pro Tempore of the Senate, at least one of whom shall have experience in the financial industry related to retirement.
 - Two appointed by the House of Representatives upon the recommendation of the Speaker of the House of Representatives, at least one of whom shall have experience in the financial industry related to retirement.
- The Board will undertake the following:
 - Develop standards and requirements for operation of the Program including:
 - Providing for a payroll deduction IRA.
 - Procedures for payroll deductions and remittances.
 - Procedures for a participating employee to make deposits into an account if the participating employee is employed by a nonparticipating employer.
 - Procedures for portability or discontinuing participation in the Program.
 - A procedure for a participating employee to increase or decrease the participating employee's contribution to an account or cease participation in the Program including providing for automatic increases in amounts deducted for an IRA.

Karen Cochrane-Brown
Director



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- Contract with one or more providers to provide for the following:
 - Options for accounts and investment products under the program.
 - A Web based portal that allows the following:
 - A small nongovernmental employer to become a participating employer.
 - An employee of a small nongovernmental employer to become a participating employee and to select an investment product.
 - Record keeping, reporting, and other administrative services.
 - Management of money being deposited in an investment product.
 - Educating the general public about the Program.
- May receive grants, gifts, or other money to cover the costs of administering the Program.
- Must develop incentives to encourage employer and employee participation in the Program.
- The Board must submit a report to the Governor and to the Joint Legislative Commission on Governmental Operations annually beginning on June 30, 2018.
- The Board must contract with at least one provider to develop education information to inform the public about this Program.
- Participation in the Program is voluntary for small nongovernmental employers. Employers may elect to participate in the Program if as of January 1, 2018 the employer does not offer an active retirement program for its employees electing to participate in the Program.
- Participating employers must comply with the Program requirements including making payroll deduction and remittances as required.
- An employee of a nonparticipating employer in this State may elect to participate in the Program.

EFFECTIVE DATE: This bill would become effective October 1, 2017.