



STATE OF OREGON
OREGON STATE TREASURY
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September 29, 2016

Via E-mail: e-ORI@dol.gov

Office of Regulations and Interpretations
Employee Benefits Security Administration
Room N-5655
U.S. Department of Labor
200 Constitution Avenue N.W.
Washington, DC 20210
Attention: State Savings Arrangements Safe Harbor

Re: Savings Arrangements Established by State Political Subdivisions for Non-Governmental Employees, RIN 1210-AB76

Secretary Perez and Assistant Secretary Borzi:

We are writing concerning the Department of Labor's (Department) proposed rule for savings arrangements established by state political subdivisions for non-governmental employees. We appreciate that the Department has taken particular time and attention to focus on the need for increased access to retirement savings across America and has been thoughtfully responsive to the range of comments received to the original proposed safe harbor.

As a state preparing to implement a state-administered retirement savings program in compliance with the Department's recently published Safe Harbor (RIN 1210-AB71), we support the Department's proposal to expand the safe harbor to encourage retirement savings by giving private sector employees broader access to savings arrangements through their employers.

The statistics associated with the growing retirement savings crisis in the US have been well documented in the Department's proposal and in related communication and research material. Through the proposed definition in RIN 1210-AB76, the Department has identified an additional 88 jurisdictions which could potentially benefit from extension of the safe harbor; this represents a significant part of the population in the US who do not currently have access to workplace-based retirement savings.

Concerns about Conflict with State Initiatives

Concerns exist that expansion of the safe harbor could conflict with state initiatives or otherwise create overlapping jurisdictions that would lead to potentially competing or duplicate programs, and confusion about which program takes precedence.

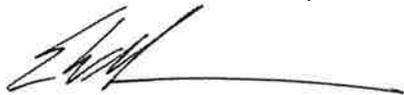
The Department has taken steps to address this when it notes that states generally have the authority to determine whether their political subdivisions may and should establish payroll deduction savings programs, that determinations such as these are matters to be resolved between the states and their political subdivisions, and that with its proposal, a 'qualified political subdivision' must have the authority, implicit or explicit, under state law to require employers' participation in the payroll deduction savings program.

The Department further seeks to reduce overlap when it proposes that the political subdivision cannot be within a state that has a state-wide retirement savings program for private sector employees¹. We believe that this clarification will help to reduce overlap, and that the comments of political subdivisions to this proposal will help to identify additional ways that state- and subdivision-sponsored programs can co-exist. We agree with the use of the language "at the time it establishes its payroll deduction savings program," as a way of addressing evolving circumstances both for the existence of programs and for changes in population.

Conclusion

We want to express our thanks to the Department and to Secretary Perez and Assistant Secretary Borzi for your significant effort and thoughtful drafting of rules and review of commentary, and we agree that expansion of the safe harbor to political subdivisions will increase retirement savings. We believe there is an opportunity to extend retirement savings access in circumstances where large cities (and other significant political subdivisions) are ready and able to establish programs on behalf of workers in their jurisdictions and support New York, Philadelphia, Seattle and others in their interest in doing so.

Respectfully submitted,



Ted Wheeler
Oregon State Treasurer



Lisa Massena, Executive Director
Oregon Retirement Savings Plan

¹ In Oregon, where a state-wide payroll deduction savings program has been authorized, statute expressly prohibits political subdivisions from establishing plans. (A local government, as defined in ORS 174.116, may not establish or offer any retirement plan for persons not employed by a public body as defined in ORS174.109.)