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Senate Bill 27, Sponsor Testimony
Senate Insurance Committee
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Chairman Hackett, Vice-Chairman Romanchuck, Ranking Member Craig and members of the Senate Insurance Committee, thank you for the opportunity to provide sponsor testimony on Senate Bill 27. This legislation would allow employers of state government employees to automatically enroll new employees in the Ohio Public Employee Deferred Compensation Program. Automatic enrollment is an effective way for employees to save now and to continue saving into the future.

As you know, the Deferred Compensation Program is a 457(b) retirement plan that allows government employees to save for retirement by investing a portion of their compensation in either pre or post-tax investment options, until it's received. Ohio Deferred Compensation is a public, non-profit organization administered by the Public Employee Deferred Compensation Program Board. The Program is distinct from the state retirement systems and contributions are additional to those made to the retirement systems.

This legislation is permissive; that is, it grants employing authorities of state employees the *option* to elect automatic enrollment. The employing authority that elects automatic enrollment must provide notice of employee's rights and obligations. Employees would have 90 days after notice of enrollment to make an affirmative election to "opt-out" before contributions are made. The Board would be responsible for establishing the amounts that will be contributed as well as which investment options contributed amounts will be invested in.

Thank you again for allowing me to give sponsor testimony on SB 27 which will have a lasting impact on helping many Ohio public employees start on a road to a secure retirement. I would be happy to answer any questions the committee may have.