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**Senate Bill 27, Sponsor Testimony**  
**House Insurance Committee**  
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Chairman Brinkman, Vice-Chairman Lampton, Ranking Member Miranda and members of the House 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.

As many of you are well aware, there is a retirement savings crisis in America. Unfortunately, all too often people save for retirement in order to get **to** retirement and not to get **through** retirement. It goes without saying that it's virtually impossible as an octogenarian to start adding to your savings.

I believe that the small amount of money that we are looking at for the auto-enroll is something that will help with the retirement savings crisis we have. I know of no one that has said "I am really disappointed that I got into Ohio's Deferred Comp program," rather what I hear is "I wish I knew about this sooner," or "I wish I contributed more". Those are the types of complaints that I often hear.

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.