

MINUTES
HOUSE BUSINESS COMMITTEE

DATE: Tuesday, April 13, 2021

TIME: 1:30 P.M.

PLACE: Room EW41

MEMBERS: Chairman Dixon, Vice Chairman Furniss (Blanchard), Representatives Crane, Palmer, Barbieri, Armstrong, DeMordaunt, Clow, Andrus, Nichols, Adams, Bundy, Ferch, Galloway, Mitchell, Shepherd, Berch, Green

**ABSENT/
EXCUSED:** Representative(s) Palmer, Armstrong, Clow, Nichols, Adams, Green

GUESTS: Lupe Wissel, State Director, AARP

Chairman Dixon called the meeting to order at 1:30 p.m.

Rakesh Mohan, Director, OPE, spoke briefly on the OPE's report of the 'Preparedness of Idahoans to Retire: Deciding the State's Role.' Director Mohan stated upon the request of several Committee members, a study was conducted to see the feasibility of State involvement to create retirement plans for smaller businesses and the private sector. He said the next steps would be to decide what models would work and the State would need to determine their role in the retirement sector.

Director Mohan turned the remainder of his time over to **Ryan Langrill**, Principal Operator, OPE. Mr. Langrill went into greater detail about the results of the study and stated there were two program options for retirement plans: mandatory or voluntary. He also said based on this information, the Legislature may wish to assign a formal group of stakeholders to discuss options and then build upon those efforts.

In response to Committee questions, **Mr. Langrill** stated that small employers with separate owners cannot share a 401K plan, requiring a common fiduciary, and the federal regulatory framework has created barriers which states are now trying to work around.

Lupe Wissel, State Director, AARP, presented information about current retirement issues, statistics in Idaho, and models that would possibly resolve them. She said Idaho should get involved with creating a retirement for smaller businesses because the status quo has not worked, it would strengthen Idaho's small businesses, and would help companies stay competitive.

In response to a Committee question, **Director Wissel** stated there are several options for retirement plans, including a tax credit incentive, being considered.

John Watts, Veritas Advisors, presented information about what legislation may look like to create a retirement program for small businesses, as well as potential models being considered. Mr. Watts stated the tenets for future legislation while referring to **H 180**. He said they would like to frame Idaho legislation based on legislation in other states and legislation currently being considered in Virginia relating to college savings. He also said this type of work would need to be done eventually and the Legislature was necessary to successfully carry it out.

In response to a Committee question, **Mr. Watts** stated there was a possibility of providing a tax credit incentive, but in Utah where it was offered, it was not successful.

Julie Ellsworth, State Treasurer, talked about how retirement issues are evolving and did not want to participate in any big government programs, but said by making national systems, a portal could be created for financial fiduciary to manage them and take the burden off of employers.

In response to Committee questions, **State Treasurer Ellsworth** spoke to aspects of Virginia's retirement model and how an Individual Retirement Account (IRA) would apply. She also stated there was no way to see the costs and benefits of models at this time from other states.

Rep. Berch commented on potential concerns with accessibility for individuals with less capabilities as well as younger employees who are not thinking about retirement. He stated he liked the voluntary option and, if legislation is brought back, he wanted to have more information about cost savings.

In response to a Committee questions, **Mr. Langrill** stated their focus for the study was to look at the options, not necessarily apply other state statistics to Idaho, and leave the Legislature to pursue it.

In closing, **Mr. Watts** provided information about another type of retirement model and spoke about the potential to create hybrid models.

ADJOURN:

There being no further business to come before the Committee, the meeting adjourned at 3:00 p.m.

Representative Dixon
Chair

Mackenzie Gibbs
Secretary