



General Assembly
January Session, 2025

Substitute Bill No. 1221



AN ACT MAKING CHANGES TO THE CONNECTICUT RETIREMENT SECURITY PROGRAM.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 31-416 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2025*):

3 As used in this section, section 31-71e [.] and sections 31-417 to 31-
4 427, inclusive:

5 (1) "Board" means the Connecticut Retirement Security Advisory
6 Board established pursuant to section 31-417;

7 (2) "Consumer" has the same meaning as provided in section 17b-706;

8 [(2)] (3) "Contribution level" means (A) the contribution rate selected
9 by the participant that may be expressed as (i) a percentage of the
10 participant's taxable wages as is required to be reported under Sections
11 6041 and 6051 of the Internal Revenue Code of 1986, or any subsequent
12 corresponding internal revenue code of the United States, as amended
13 from time to time, or (ii) a dollar amount up to the maximum deductible
14 amount for the participant's taxable year under Section 219(b)(1) of the
15 Internal Revenue Code of 1986, or any subsequent corresponding
16 internal revenue code of the United States, as amended from time to
17 time; or (B) in the absence of an affirmative election by the participant,
18 three per cent of the participant's taxable wages as is required to be

19 reported under Sections 6041 and 6051 of the Internal Revenue Code of
20 1986, or any subsequent corresponding internal revenue code of the
21 United States, as amended from time to time. For participants enrolled
22 on and after July 1, 2025, the contribution level in the absence of an
23 affirmative election by the participant shall follow the provisions of
24 Section 414A(b)(3)(A) of the Internal Revenue Code of 1986, or any
25 subsequent corresponding internal revenue code of the United States,
26 as amended from time to time. The contribution level of a participant
27 who customarily and regularly receives gratuities in conjunction with
28 his or her employment shall be a percentage of such participant's wages
29 as is required to be reported under Sections 6041 and 6051 of the Internal
30 Revenue Code of 1986, or any subsequent corresponding internal
31 revenue code of the United States, as amended from time to time;

32 [(3)] (4) "Covered employee" means (A) an individual [(A)] (i) who
33 has been employed by a qualified employer for a period of not less than
34 one hundred twenty days, [(B)] (ii) who is nineteen years of age or older,
35 [(C)] (iii) who performs services within the state for purposes of section
36 31-222, and [(D)] (iv) whose service or employment is not excluded
37 under the provisions of subdivision (5) of subsection (a) of section 31-
38 222, and (B) on and after July 1, 2026, a personal care attendant (i) who
39 has been employed by a qualified employer for a period of not less than
40 thirty days, (ii) who is nineteen years of age or older, and (iii) who
41 performs services within the state for purposes of section 31-222;

42 [(4)] (5) "Participant" means any individual participating in the
43 program;

44 (6) "Personal care attendant" has the same meaning as provided in
45 section 17b-706;

46 [(5)] (7) "Program" means the Connecticut Retirement Security
47 Program established pursuant to section 31-418, as amended by this act;

48 [(6)] (8) (A) "Qualified employer" means (i) any person, corporation,
49 limited liability company, firm, partnership, voluntary association, joint
50 stock association or other entity doing business in the state during the

51 calendar year, whether for profit or not for profit, that employed on
52 October first of the preceding calendar year five or more individuals in
53 the state and has paid not less than five of such individuals taxable
54 wages of not less than five thousand dollars in the preceding calendar
55 year, [.] or (ii) on and after July 1, 2026, a consumer that receives services
56 from a personal care attendant under a state-funded program. (B)
57 "Qualified employer" does not include: [(A)] (i) The federal government,
58 [(B)] (ii) the state or any political subdivision thereof, [(C)] (iii) any
59 municipality, unit of a municipality or municipal housing authority,
60 [(D)] (iv) an employer employing only individuals whose services are
61 excluded under subdivision (5) of subsection (a) of section 31-222, other
62 than a consumer that receives services from a personal care attendant
63 under a state-funded program, or [(E)] (v) an employer that was not in
64 existence at all times during the current calendar year and the preceding
65 calendar year, other than a consumer that receives services from a
66 personal care attendant under a state-funded program;

67 [(7)] (9) "Individual retirement account" means a Roth IRA;

68 [(8)] (10) "Roth IRA" means an account described in Section 408A of
69 the Internal Revenue Code of 1986, or any subsequent corresponding
70 internal revenue code of the United States, as amended from time to
71 time;

72 [(9)] (11) "Normal retirement age" means the age specified in Section
73 408A of the Internal Revenue Code of 1986, or any subsequent
74 corresponding internal revenue code of the United States, as amended
75 from time to time, when an individual may withdraw all funds without
76 penalty;

77 [(10)] (12) "Vendor" means (A) a federally regulated retirement plan
78 sponsor conducting business in the state, including, but not limited to,
79 a federally regulated investment company or an insurance company, or
80 (B) a company conducting business in the state to (i) provide ancillary
81 services, including, but not limited to, technological, payroll or
82 recordkeeping services, and (ii) offer retirement plans or payroll deposit

83 individual retirement account arrangements using products of
84 regulated retirement plan sponsors. "Vendor" does not include
85 individual registered representatives, brokers, financial planners or
86 agents; and

87 [(11)] (13) "Fee" means investment management charges,
88 administrative charges, investment advice charges, trading fees,
89 marketing and sales fees, revenue sharing, broker fees and other costs
90 necessary to administer the program.

91 Sec. 2. Subsection (a) of section 31-418 of the general statutes is
92 repealed and the following is substituted in lieu thereof (*Effective July 1,*
93 *2025*):

94 (a) There is established the Connecticut Retirement Security Program,
95 the purpose of which shall be to promote and enhance retirement
96 savings for private sector employees in the state, to be administered by
97 the Comptroller. The office of the Comptroller shall constitute a
98 successor agency to the Connecticut Retirement Security Authority for
99 the purposes of administering the Connecticut Retirement Security
100 Program, in accordance with subsections (a), (b), (c), (d) and (f) of
101 sections 4-38d and 4-38e. The Comptroller in consultation with the
102 board, may:

103 (1) Establish criteria and guidelines for the program to offer qualified
104 retirement investment choices. Such criteria and guidelines shall
105 establish a cap on total annual fees and shall provide participants with
106 information regarding each retirement investment choice's historical
107 investment performance;

108 (2) Receive and invest moneys in the program in any instruments,
109 obligations, securities or property in accordance with section 31-423, as
110 amended by this act;

111 (3) Contract with financial institutions or other organizations offering
112 or servicing retirement programs. The Comptroller may require that
113 each participant be charged a fee to defray the costs of the program. The

114 amount and method of collection of such fee shall be determined by the
115 Comptroller. No employer shall be required to fund or be responsible
116 for collecting fees from plan participants;

117 (4) Charge and equitably apportion among participants the
118 administrative costs and expenses incurred in the exercise of the
119 Comptroller's powers and duties as granted by this section;

120 (5) Borrow working capital funds and other funds as may be
121 necessary for the start-up and continuing operation of the program,
122 provided such funds are borrowed in the name of the program only.
123 Such borrowings shall be payable solely from revenues of the program;

124 (6) Do all things necessary or convenient to carry out the provisions
125 of section 31-71e, and sections 31-417 to 31-427, inclusive; [and]

126 (7) Establish an administrative process by which participants,
127 potential participants and employees may submit grievances,
128 complaints and appeals to the Comptroller and have such grievances,
129 complaints and appeals heard and addressed by the Comptroller; and

130 (8) Implement the provisions of Section 414A(b)(3)(A) of the Internal
131 Revenue Code of 1986, or any subsequent corresponding internal
132 revenue code of the United States, as amended from time to time.

133 Sec. 3. Section 31-423 of the general statutes is repealed and the
134 following is substituted in lieu thereof (*Effective July 1, 2025*):

135 (a) The Comptroller shall provide for each participant's account to be
136 invested in (1) an age-appropriate target date fund, or (2) other
137 investment vehicles the Comptroller may prescribe if affirmatively
138 selected by the participant.

139 (b) For each participant who receives a federal Saver's Match
140 contribution pursuant to 26 USC 6433, as amended from time to time,
141 the Comptroller shall provide an applicable retirement savings vehicle
142 able to receive such contribution.

143 Sec. 4. Subsection (c) of section 31-425 of the general statutes is
 144 repealed and the following is substituted in lieu thereof (*Effective July 1,*
 145 *2025*):

146 (c) If a qualified employer fails to (1) enroll [a covered employee] such
 147 qualified employer's covered employees as required under subsection
 148 (a) of section 31-422, [such covered employee, the Labor Commissioner
 149 or the Comptroller, may bring a civil action to require the qualified
 150 employer to enroll the covered employee and shall recover such costs
 151 and reasonable attorney's fees as may be allowed by the court.] or (2)
 152 transmit contributions to the program, as required under subsection (e)
 153 of section 31-422, the Comptroller shall send a notice of noncompliance
 154 to such qualified employer. The Comptroller shall send at least two
 155 notices of noncompliance followed by a final notice of noncompliance.
 156 Each year a qualified employer is found to be noncompliant for a period
 157 of ninety calendar days or longer after service of such final notice of
 158 noncompliance, such employer may be assessed a civil penalty by the
 159 Comptroller of (A) not more than five hundred dollars for a qualified
 160 employer that employs not less than five and not more than twenty-four
 161 employees, (B) not more than one thousand dollars for a qualified
 162 employer that employs not less than twenty-five and not more than
 163 ninety-nine employees, and (C) not more than one thousand five
 164 hundred dollars for a qualified employer that employs one hundred or
 165 more employees.

166 (d) The Comptroller may adopt regulations in accordance with the
 167 provisions of chapter 54 to implement the provisions of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2025</i>	31-416
Sec. 2	<i>July 1, 2025</i>	31-418(a)
Sec. 3	<i>July 1, 2025</i>	31-423
Sec. 4	<i>July 1, 2025</i>	31-425(c)

Statement of Legislative Commissioners:

In Section 4, Subsec. (c)(2) "not less than ninety calendar days" was changed to "a period of ninety calendar days or longer", for accuracy and clarity.

LAB *Joint Favorable Subst. -LCO*