



**PA 25-30—sSB 1221**

*Labor and Public Employees Committee*

**AN ACT MAKING CHANGES TO THE CONNECTICUT RETIREMENT SECURITY PROGRAM**

**SUMMARY:** This act makes various changes to the Connecticut Retirement Security Program, a program the Office of the State Comptroller administers to establish a retirement program with Roth individual retirement accounts (IRAs) for eligible private-sector employees. The act primarily:

1. extends the program, starting July 1, 2026, to cover certain personal care attendants (PCAs) who provide personal care assistance under a state-funded program (such as the Connecticut Home Care Program for Elders);
2. ties the program's default contribution rate, for participants who enroll on or after July 1, 2025, to a federal law on minimum contribution rates in private-sector plans;
3. changes the enforcement process for qualified employers (i.e. those subject to the program's requirements) who do not enroll eligible employees and timely remit their contributions to the program as required; and
4. requires the comptroller, for participants who receive a contribution from the federal Saver's Match program, to offer an applicable retirement saving vehicle (Roth IRAs cannot receive contributions from the federal program).

**EFFECTIVE DATE:** July 1, 2025

**PERSONAL CARE ATTENDANTS**

Starting July 1, 2026, the act extends the program to cover certain PCAs who (1) have been employed by a qualified employer for at least 30 days, (2) are at least age 19, and (3) perform services in the state covered by the state unemployment law. Under the act, eligible PCAs must also be employed by a consumer to provide personal care assistance (e.g., supportive home care, personal care, or another nonprofessional service) to the consumer under a state-funded program such as the Medicaid Acquired Brain Injury Waiver Program, Medicaid Personal Care Assistance Waiver Program for adults with disabilities, or Connecticut Home Care Program for Elders.

The act correspondingly makes the consumers who receive services from these PCAs "qualified employers" under the retirement security program. The law otherwise generally excludes employees who work for an employer with less than five employees. As qualified employers under the program, these consumers must (1) give their PCAs certain information about the program, (2) automatically enroll the PCAs in the program within 60 days after giving them this information, and (3) withhold their PCAs' contributions to the program from their compensation and submit it to the program (CGS § 31-422). The consumers are also subject to the

## OLR PUBLIC ACT SUMMARY

act's notice requirements for failing to enroll an eligible PCA or remit a PCA's contributions to the program (see § 4 below).

By law, qualified employers generally do not include employers that (1) only employ people who are exempted from coverage under the state's unemployment law for certain reasons (such as when they work for their children or spouse) or (2) did not exist at all times during the current and preceding calendar year. The act excludes the PCAs' consumers from both of these exceptions.

### DEFAULT CONTRIBUTION LEVELS

The law generally requires participants to contribute a certain portion of their taxable wages to the program unless they affirmatively chose to contribute a different amount. The act maintains this default contribution rate at 3% for participants who enroll in the program before July 1, 2025. But for those who enroll on or after that date, the act instead requires the default contribution rate to follow the federal law on minimum contribution rates in private-sector plans. This law generally requires a contribution rate to be between 3% and 10% for a participant's first year, and then increase by one percentage point each subsequent year until it is at least 10% but not more than 15%. The act correspondingly authorizes the comptroller to implement these provisions.

### NONCOMPLIANT EMPLOYERS

The act changes the enforcement procedures for noncompliant qualified employers (i.e. those subject to the program's requirements). Under prior law, if a qualified employer failed to enroll an eligible employee in the program, either the labor commissioner or the comptroller could sue the employer to require compliance and recover costs and attorney's fees. The act eliminates this provision and instead creates a notice requirement and financial penalty for employers that fail to enroll eligible employees or timely remit the employees' contributions to the program.

More specifically, the act requires the comptroller to send at least two notices of noncompliance, followed by a final notice of noncompliance, to any qualified employer that fails to meet the requirements to (1) enroll its eligible employees in the program or (2) timely remit employee contributions to the program. For employers with at least five employees, the act allows the comptroller to assess a civil penalty each year that the employer is found to be noncompliant for a period of at least 90 calendar days after the final notice of noncompliance was served. The maximum amount of the civil penalty is based on the employer's number of employees, as shown in the table below. The act also allows the comptroller to adopt regulations to implement these provisions.

**Penalty for Noncompliant Employers**

<i>Number of Employees</i>	<i>Maximum Penalty</i>
5 – 24	\$500
25 – 99	1,000

## OLR PUBLIC ACT SUMMARY

<i>Number of Employees</i>	<i>Maximum Penalty</i>
100+	1,500

Under existing law, unchanged by the act, an employer's failure to remit an employee's contributions to the program also violates the law that generally prohibits employers from withholding employee wages (regardless of the employer's size).

### FEDERAL SAVERS MATCH PROGRAM

Starting in 2027, the federal Saver's Match Program will generally provide a federally funded contribution to a low- or moderate-income worker's qualified retirement plan. However, Roth IRAs, which the Connecticut Retirement Security Program provides to its participants, are not eligible for the Saver's Match contributions. For participants who receive a Saver's Match contribution, the act requires the comptroller to provide an applicable retirement savings vehicle that can receive the contribution.