HB 1432 --MISSOURI SECURE CHOICE SAVINGS PROGRAM ACT

SPONSOR: Kendrick

This bill creates the "Missouri Secure Choice Savings Program Act", which allows employers with 25 or more workers who do not already offer employees a retirement plan to automatically enroll workers aged 18 and older in a state-run payroll-deduction Roth Individual Retirement Account (Roth IRA). This applies to both for-profit and non-profit employers, and is also open to employers with fewer than 25 workers who wish to participate on a voluntary basis.

Employees select how much to contribute, not to exceed the current maximum annual contribution limits for Roth IRAs. Employees pick their investment options from a menu of choices established by the five-member board overseeing the program. Employees who fail to select an investment option will be automatically enrolled at a contribution rate of 3% of pay with contributions invested in a life-cycle fund that automatically becomes more conservatively invested as they age.

The Secure Choice Program is not an employer-sponsored retirement plan and employers are not allowed to match contributions. The employer requirement is limited to offering the program to new workers (using materials provided by the board), providing an annual enrollment period for ongoing employees, automatically enrolling workers who do not opt out, and depositing worker payroll deductions into the program’s trust fund. Participating employers are not fiduciaries under the program, and are not responsible for the program’s administration or investments.

The board shall seek the opinion of the Internal Revenue Service as to whether the Roth IRA established under the bill qualifies for tax-favored status and whether the program is subject to the Employee Retirement Income Security Act of 1974 (ERISA). The board may not implement the program if it is determined that the proposed IRA does not qualify for tax-favored treatment, or if the program is considered an ERISA employee benefit plan.

This bill is the same as HB 1672 (2018)and HB 200 (2019).