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Retirement savings tool for Oregon workers on the way to Governor Brown

HB 2960 will create the Oregon Retirement Savings Board, program goes live 2017

SALEM – Senate Democrats approved legislation this afternoon that will ensure every Oregonian has access to a safe, easy, and effective way to save for retirement. House Bill 2960 creates the Oregon Retirement Savings Board, which will create a program to provide every Oregonian with access to a portable retirement savings account.

“Currently, nearly half of all Oregonians do not have a retirement plan at work. As a result, many are at risk of living in poverty when they retire—unable to cover basic living and medical expenses,” said Senator Lee Beyer (D-Springfield), a chief sponsor of the legislation. “House Bill 2960 provides a blueprint for creating a retirement savings plan that will help Oregonians make ends meet when they retire.”

Oregon, along with the rest of the nation, is facing a retirement crisis. According to a recent study by Portland State University, nearly two-thirds of Oregonian retirees have no income from retirement funds—a situation that is much worse for low-income workers.

“For those who can’t afford to put aside much money each month—or who work in an industry without a retirement savings plan—HB 2960 will provide a baseline option for the hundreds of thousands of Oregonians who face alarmingly low retirement savings,” said Senate Majority Leader Diane Rosenbaum (D-Portland). “With HB 2960, a low-income worker saving responsibly over the course of a career can put together a nest egg that will make a difference in old age.”

The Board created by HB 2960 will be chaired by the State Treasurer and will include representation from legislators, investors, employers, workers and retirees. After a thorough

study and market analysis, the Retirement Savings Board will develop a privately-managed, defined contribution retirement plan (IRA) for all Oregonians lacking access to a retirement plan at their workplace. Employers will not be required to contribute to this plan, and employees will have the ability to opt-out. The plan is scheduled to be operational and available to Oregon consumers in 2017.

“Even though a lot of small business owners want to offer their employees a retirement plan, many don’t have the time or the resources to set up a complicated plan and navigate the marketplace,” said Senator Arnie Roblan (D-Coos Bay), a chief sponsor of the bill. “This bill solves a problem for both workers and employers.”

House Bill 2960 is the result of a thorough task force study, which provided recommendations for addressing the looming retirement crisis. Once signed into law, Oregon will join California and Illinois as states leading the nation while Congress fails to act on secure retirements for low-income and middle class workers.

House Bill 2960 will now go to the desk of Governor Kate Brown for her signature.

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