

SENATE FILE NO. SF0060

Deferred compensation plan-automatic enrollment.

Sponsored by: Joint Appropriations Interim Committee

A BILL

for

1 AN ACT relating to the deferred compensation plan;
2 providing for automatic enrollment in the plan for persons
3 employed by the state of Wyoming after a specified date;
4 providing for participation by other entities in automatic
5 enrollment in the plan; providing for opt out and
6 withdrawal from the plan; providing for a standard employee
7 contribution rate; providing authority to the Wyoming
8 retirement system to enroll employees in investment plans;
9 amending definitions; and providing for an effective date.

10

11 *Be It Enacted by the Legislature of the State of Wyoming:*

12

13 **Section 1.** W.S. 9-3-509 is created to read:

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15 **9-3-509. Enrollment of state employees in the plan;**
16 **notice to employee; contribution rate; investment of funds**

1 **by retirement system; withdrawal period; plan document to**
2 **provide for automatic enrollment.**

3

4 (a) On and after July 1, 2015, a person who begins
5 employment, or returns to employment after a break in
6 service, with any state agency, department or institution
7 which utilizes the state auditor's office for payroll
8 services, including the legislature and the judiciary, and
9 who is otherwise eligible to participate in the program,
10 shall be automatically enrolled in the program as provided
11 in this section.

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13 (b) An employee enrolled in the program under this
14 section shall have:

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16 (i) An opt out period in which the employee may
17 elect to not participate in the program. No contribution
18 shall be made to the program by or on behalf of the
19 employee during the pendency of the opt out period. An
20 employee's opt out period shall begin thirty (30) days
21 after enrollment in the program; and

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1 (ii) A ninety (90) day permissible withdrawal
2 period from the program beginning on the date of the
3 employee's first contribution to the program. An employee
4 may withdraw his contribution from the program within the
5 permissible withdrawal period without penalty, however the
6 employee will forfeit any employer contribution made on
7 behalf of the employee under W.S. 9-3-508.

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9 (c) An employee automatically enrolled in the program
10 under this section shall contribute three percent (3%) of
11 the employee's monthly pre-tax includible compensation to
12 the employee's account under the program after the
13 expiration of the employee's opt out period provided in
14 paragraph (b)(i) of this section. An employee
15 automatically enrolled in the program under this section
16 may elect in writing to change the employee's contribution
17 rate pursuant to the plan document as defined in W.S.
18 9-3-502(a).

19
20 (d) After the expiration of an employee's ninety (90)
21 day permissible withdrawal period, the retirement system
22 shall invest all contributions made by or on behalf of an
23 employee enrolled in the program pursuant to this section

1 in an age appropriate investment plan based on the
2 projected retirement date of the employee as determined by
3 the retirement system. During the pendency of an
4 employee's permissible withdrawal period provided in
5 paragraph (b)(ii) of this section, the retirement system
6 shall invest all contributions made by or on behalf of the
7 employee enrolled in an investment plan with limited
8 exposure to market volatilities as determined by the
9 retirement system. An employee enrolled in an investment
10 plan may change investment plans or otherwise invest funds
11 in his account in the same manner as all other participants
12 in the program.

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14 (e) The board shall provide notice in writing to an
15 employee automatically enrolled in the program. Notice
16 under this subsection shall include:

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18 (i) The employee's ability to opt out of the
19 program as provided in paragraph (b)(i) of this section;

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21 (ii) The employee's ninety (90) day permissible
22 withdrawal period from the program provided in paragraph
23 (b)(ii) of this section;

1

2 (iii) The employee's automatic level of
3 contribution to the program; and

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5 (iv) The investment plans the employee will be
6 enrolled in within the program during the pendency of the
7 ninety (90) day permissible withdrawal period and following
8 the expiration of the permissible withdrawal period.

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10 (f) An employee enrolled in the program under this
11 section shall have the same rights to participate in the
12 program as all other participants in the program.

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14 (g) The board shall effectuate the purposes of this
15 section in the plan document.

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17 (h) Failure to provide notice under subsection (e) of
18 this section shall not give rise to any additional
19 obligation or liability on the part of the state or the
20 program.

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22 **Section 2.** W.S. 9-3-501(a)(iv) and (v), 9-3-502(a) and
23 (b) and 9-3-506(b) are amended to read:

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2 **9-3-501. Definitions.**

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4 (a) As used in this article:

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6 (iv) "Plan document" means the official document
7 recorded with the secretary of state and adopting and
8 establishing a deferred compensation program for Wyoming
9 under Public Law 95-600;

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11 (v) "Program" means the Wyoming deferred
12 compensation program established in accordance with the
13 plan document;

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15 **9-3-502. Establishment of program by state;
16 administration by Wyoming retirement board; establishment
17 of separate deferred compensation by political
18 subdivisions; investment permitted; limitation on amount
19 deferred; taxability.**

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21 (a) The board shall establish and administer the
22 program for employees in addition to any retirement,
23 pension, benefit or other deferred compensation programs

1 established by the governmental entity. Subject to
2 requirements of this article, any county, city, town or
3 other political subdivision may establish and administer a
4 deferred compensation program separate from the program
5 established under this article. A county, city, town or
6 other political subdivision which wishes to enter into the
7 state program established under this article shall adopt
8 the plan document, provide the program to employees in
9 accordance with this article and be subject to program
10 administration by the board. A county, city, town, other
11 political subdivision of the state or an entity or
12 institution of the state which does not utilize the state
13 auditor's office for payroll services may provide for
14 automatic enrollment of new employees into the state
15 program pursuant to W.S. 9-3-509 and pursuant to the
16 requirements of this subsection.

17
18 (b) Any employee may enter into a written agreement
19 with the program or a separate deferred compensation
20 program established by a ~~state,~~ county, city, town or other
21 political subdivision to defer any part of his compensation
22 for investment as provided by this article or an employee
23 may be automatically enrolled as provided in W.S. 9-3-509

1 and subsection (a) of this section. The total annual amount
2 deferred may at no time exceed the employee's annual salary
3 under applicable salary schedules or compensation plans.

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5 **9-3-506. Program coordinator; selection by contract**
6 **upon competitive bid; duties.**

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8 (b) The program coordinator shall enroll program
9 participants, service accounts established under the plan
10 document for program participants and report to the board.

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12 **Section 3.** This act is effective immediately upon
13 completion of all acts necessary for a bill to become law
14 as provided by Article 4, Section 8 of the Wyoming
15 Constitution.

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17

(END)