COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

102nd GENERAL ASSEMBLY

BILL NO: SB 3654 January 24, 2022

SPONSOR (S): Martwick

SYSTEM(S): SURS, TRS, State Employees' Deferred Compensation

FISCAL IMPACT: There is no discernible fiscal impact associated with

SB 3654.

<u>SUBJECT MATTER</u>: SB 3654 amends the TRS and SURS articles of the Pension Code to mandate that the external recordkeeper of the optional defined contribution plans in each respective system not use personal information for the purpose of soliciting or cross-selling nonplan products or services to DC plan participants. This prohibition would also apply to the State Employees' Deferred Compensation Plan.

<u>COMMENT:</u> P.A. 100-0769, which took effect on August 10th, 2018, mandated the creation of a voluntary 457(b) defined contribution (DC) plan in both SURS and TRS. Both systems have established these DC plans, which are now in effect. They are named the "Supplemental Savings Plan" in TRS and the "SURS Deferred Compensation Plan" in SURS. These DC plans are optional and do not supplant the traditional defined benefit (DB) schedule of benefits in each respective system.

SB 3654 amends the TRS and SURS articles of the Pension Code to mandate that the DC external recordkeeper in each respective system will not use information received as a result of administering the DC plan for the purpose of soliciting or cross-selling nonplan products or services to DC plan participants, unless it is in response to a request by a participant. The bill would also extend this prohibition on solicitation and cross-selling to external recordkeepers who contract with the State Employees' Deferred Compensation Plan.

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