

MAINE STATE LEGISLATURE

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125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 1378

S.P. 423

In Senate, April 5, 2011

**An Act To Create a State-sponsored 401(k) Retirement Plan for
Participation by Private Employers**

Reference to the Committee on Labor, Commerce, Research and Economic Development suggested and ordered printed.

Joseph G. Carleton Jr.

JOSEPH G. CARLETON, JR.

Secretary of the Senate

Presented by Senator WOODBURY of Cumberland.
Cosponsored by Representative BICKFORD of Auburn and
Senators: HILL of York, RECTOR of Knox, ROSEN of Hancock, Representatives: BENNETT
of Kennebunk, CHASE of Wells, FITTS of Pittsfield, HAYES of Buckfield, STRANG
BURGESS of Cumberland.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 10 MRSA c. 110, sub-c. 3-A** is enacted to read:

3 **SUBCHAPTER 3-A**

4 **MAINE RETIREMENT INVESTMENT PLAN**

5 **§1057. Plan**

6 The authority shall develop, establish and administer a tax-qualified defined
7 contribution retirement investment plan, referred to in this section as "the plan," that must
8 be made available to employers who wish to offer the plan as a retirement investment
9 option to their employees. The plan must:

10 1. **Section 401(k).** Meet the requirements for favorable tax treatment under Section
11 401(k) of the United States Internal Revenue Code;

12 2. **Availability.** Be made available for participation by any employer;

13 3. **Administration.** Be administered by the authority under contract with a 3rd-party
14 administrator;

15 4. **Options.** Provide options for participating employers and employees;

16 5. **Fee structure.** Establish a fee structure for participating employers that covers
17 the authority's costs of establishing and administering the plan; and

18 6. **Cost containment.** Minimize costs to employers and employees through
19 economies of scale, standardization and other measures.

20 **Sec. 2. Implementing legislation.** By January 15, 2012, the Finance Authority
21 of Maine may submit to the Second Regular Session of the 125th Legislature any
22 legislation necessary to facilitate implementation of the plan under the Maine Revised
23 Statutes, Title 10, section 1057.

24 **SUMMARY**

25 This bill directs the Finance Authority of Maine to establish a qualified defined
26 contribution retirement investment plan eligible for favorable tax treatment under Section
27 401(k) of the United States Internal Revenue Code to be made available to employers
28 who wish to offer the plan as a retirement investment option to their employees.