



March 28, 2024

The Honorable Marvin Abney  
Chairman, House Finance Committee  
Rhode Island State House  
Providence, RI 02903

RE: 7127, An Act Relating to Public Finance – Rhode Island Secure Choice Retirement Savings Program

Chairman Abney and Committee Members:

The undersigned members of the Rhode Island Business Coalition oppose the passage of H.7127, An Act Relating to Public Finance – Rhode Island Secure Choice Retirement Savings Program. This bill places a new requirement on certain businesses with more than five employees.

The bill creates a Rhode Island state-run retirement savings program, under the authority of the General Treasurer. Employers that do not offer a retirement plan to employees, would be mandated to offer the state plan to employees, completing paperwork necessary to facilitate the state's program and transferring employee contributions to the state throughout the year. The mandate applies to employers with more than one hundred employees first. These larger employers are required to offer the program to employees within twelve months of the program's original open enrollment date. Employers with fifty or more employees are mandated to participate within two years; and employers with five or more employees come under the mandate within three years of the original open enrollment date. Employers with less than five employees have the option to participate but are not required to do so.

Most employers in Rhode Island are small businesses that do not have human resource departments. Participation in this state program means the employer must gain an understanding of the program in order to direct employees on how to proceed, and to track contributions for both the employee and the state. These responsibilities pose a tremendous burden for small business owners.

Today, individuals have many choices for investing in retirement programs should they wish to do so. H.7127, while well meaning, expands government bureaucracy, places additional burdens on the business community, and provides a service that already exists in the private market.

Thank you for your consideration of our concerns.

Sincerely,

Associated Builders and Contractors, Rhode Island

East Greenwich Chamber of Commerce

National Federation of Independent Business

Rhode Island Bankers Association

Rhode Island Business Group on Health

Rhode Island Manufacturers Association

Rhode Island Mortgage Bankers Association

Rhode Island Partnership for Home Care

Rhode Island Small Business Economic Summit Regulations Committee

Rhode Island Small Business Economic Summit Tax and Budget Committee

Rhode Island Society of Certified Public Accountants

Rhode Island Staffing Association

Sustainable Benefits Strategies, LLC

The Rhode Island Business Coalition represents 50 industries and 6,280 businesses that employ 231,200 people throughout Rhode Island.