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HOUSE BILL NO. 1048

Offered January 10, 2018

Prefiled January 9, 2018

A *BILL to amend the Code of Virginia by adding in Chapter 16.1 of Title 2.2 an article numbered 4, consisting of sections numbered 2.2-1618 and 2.2-1619, relating to the Employer-Sponsored Retirement Plans Grant Fund.*

 Patron—Torian

Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 16.1 of Title 2.2 an article numbered 4, consisting of sections numbered 2.2-1618 and 2.2-1619, as follows:

*Article 4.**Employer-Sponsored Retirement Plans Grant Fund.***§ 2.2-1618. Employer-Sponsored Retirement Plans Grant Fund.**

There is hereby created in the state treasury a special nonreverting fund to be known as the Employer-Sponsored Retirement Plans Grant Fund, referred to in this section as "the Fund." The Fund shall be established on the books of the Comptroller. All funds appropriated to the Fund and any gifts, donations, grants, bequests, and other funds received on its behalf shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of providing grants pursuant to § 2.2-1619 to small businesses to incentivize the adoption of employer-sponsored retirement plans. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Director.

§ 2.2-1619. Grants for certain employer-sponsored retirement plans.**A. As used in this section:**

"Eligible employer" means a small business that (i) did not offer a qualified plan to its full-time employees during the year prior to the year in which it applies for a grant, (ii) will offer a qualified plan to its full-time employees for voluntary enrollment during the year in which it applies for a grant, and (iii) meets any other eligibility requirements as determined by the Department.

"Fund" means the Employer-Sponsored Retirement Plans Grant Fund established in § 2.2-1618.

"Program" means the Employer-Sponsored Retirement Plans Grant Program established in this article.

"Qualified plan" means a retirement plan that an eligible employer offers to its full-time employees for voluntary enrollment that meets the requirements of the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 et seq.

"Small business" means a business that has no more than 50 full-time employees who are employed within the Commonwealth.

B. The Department shall implement the Employer-Sponsored Retirement Plans Grant Program to provide grants from the Fund to eligible employers that offer qualified plans to their full-time employees.

C. The Department shall establish criteria for determining the amount of the grant to be awarded. The Department shall establish procedures for prioritizing applications in the event that the Fund contains insufficient funds to issue grants to all eligible employers.

D. The Department shall prescribe application forms to be submitted by businesses seeking approval for a grant under the Program. Any business that applies for a grant shall include with its application such documentation as the Department requires to establish that the business is an eligible employer.

E. The Department shall not expose the Commonwealth, as an employer or through administration of the grant program, to any potential liability under the Employee Retirement Income Security Act of 1974 (P.L. 93-406, 88 Stat. 829). The Department shall not offer or operate a state-administered retirement plan for any businesses or individuals through the Program pursuant to this article.

INTRODUCED

HB1048