



ARIZONA STATE SENATE

Fifty-Fifth Legislature, Second Regular Session

FACT SHEET FOR S.B. 1375

AMENDED

~~(retirement savings program; state treasurer)~~
(NOW: study committee; retirement savings programs)

As passed by the Senate, S.B. 1375 established the Arizona Work and Save Program, administered by the State Treasurer, for eligible individuals and covered employers to begin contributing to an IRA under the Program by July 1, 2024.

The House of Representatives adopted a strike-everything amendment that does the following:

Purpose

Establishes the Public-Private Partnerships Retirement Savings Programs Study Committee (Study Committee) and requires the Study Committee to report its activities and recommendations for legislative or administrative action by December 31, 2022.

Background

Arizona offers four retirement programs, including: 1) the Arizona State Retirement System for all employees and officers of Arizona and political subdivisions; 2) the Corrections Officer Retirement Plan for correctional officers; 3) the Elected Officials' Retirement Plan for eligible elected officials; and 4) the Public Safety Personnel Retirement System for public safety employees ([A.R.S. Title 38](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Establishes the Study Committee consisting of:
 - a) two House of Representatives (House) members, one from each political party, appointed by the Speaker of the House, one of whom is designated as co-chair;
 - b) two Senate members, one from each political party, appointed by the President of the Senate, one of whom is designated as co-chair;
 - c) the State Treasurer or their designee;
 - d) the Director of the Arizona Department of Administration or their designee;
 - e) one representative of a statewide association that advocates on behalf of Arizona seniors appointed by the President of the Senate;
 - f) one representative of an organization that advocates on behalf of insurance professionals and financial advisors appointed by the Speaker of the House;

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- g) one representative of an organization that represents small businesses in Arizona appointed by the President of the Senate; and
- h) one representative of a life insurance company or association of life insurance companies appointed by the President of the Senate.

2. Requires the Study Committee to research and make recommendations regarding:
 - a) the mechanisms that could assist Arizona citizens to be prepared to retire in a financially secure manner, including the operation of a public-private partnership individual retirement program for employees whose employer does not offer an employer sponsored retirement plan, self-employed individuals and independent contractors;
 - b) the optimal oversight for a public-private partnership individual retirement program for eligible persons;
 - c) the barriers to why Arizonans do not save for retirement and why employers who do not offer retirement plans currently do not offer them;
 - d) the regulatory and operational burden of small and micro businesses that want to offer payroll deduction retirement savings options to employees but are unable to do so;
 - e) the impact of the federal Setting Every Community Up for Retirement Enhancement Act on employer-based retirement plans, including whether small employer access to retirement plans has expanded;
 - f) the feasibility, including the risks and benefits, of partnering with other similar public-private partnership individual retirement programs established in other jurisdictions;
 - g) the ability of the state to encourage retirement savings; and
 - h) potential legislation to address the issues identified by the Study Committee.
3. Prohibits Study Committee members from receiving compensation for their expenses.
4. Requires, by December 31, 2022, the Study Committee to submit a report of its activities and recommendations for legislative or administrative action to the President of the Senate and the Speaker of the House and provide a copy of the report to the Secretary of State.
5. Repeals the Study Committee on January 1, 2024.
6. Becomes effective on the general effective date.

Amendments Adopted by the House of Representatives

- Adopted the strike everything amendment relating to the Study Committee.

House Action

GE	3/23/22	DPA/SE	12-0-0-1
APPROP	3/28/22	W/D	
3 rd Read	4/19/22		44-9-7

Prepared by Senate Research

April 20, 2022

MG/AN/slp