

**2018 Seattle City Council Green Sheet**

**Ready for Notebook**

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**Budget Action Title:** Pass C.B. 119113; Seattle Retirement Savings Plan

Ongoing: No

Has CIP Amendment: No    Has Budget Proviso: No

Primary Sponsor: Budget Committee

Councilmembers:

Staff Analyst: Patricia Lee

Council Bill or Resolution: C.B. 119113

Date		Total	SB	KH	LG	BH	LH	RJ	DJ	MO	KS
	Yes										
	No										
	Abstain										
	Absent										

**Budget Action description:**

This green sheet recommends passage of Council Bill (C.B.) 119113, which would create the framework to establish a retirement savings plan for workers whose employers do not offer a workplace retirement savings plan. In addition to C.B. 119113, the proposed budget creates a Finance General Reserve of \$200,000 for start-up activities in 2018.

It is estimated that 40 percent of workers in the Seattle Metropolitan Area do not have a workplace retirement savings plan and that percentage is greater for people of color.

**Content of C.B. 119113**

The bill would establish a Seattle Retirement Savings Plan (SRSP) Board composed of:

- The Seattle City Employees' Retirement System (SCERS) Executive Director;
- The chair of the City Council's Finance Committee or its successor;
- The City Director of Finance;
- A representative with experience in investments, who is designated by SCERS' Executive Director;
- A public representative of eligible employees or an association representing eligible employees;
- A public representative of participating employees; and

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- A public representative with experience in investments or retirement plan oversight and management.

Public representatives would be appointed by the Mayor and confirmed by the Council. Board member terms would be for three years.

The SRSP Board would be responsible for establishing, implementing and overseeing the SRSP. However, before the SRSP is established the Board would:

- Conduct a market analysis to determine the feasibility and projected impacts of the SRSP,
- Obtain legal advice to determine whether the SRSP conflicts with or is preempted by state or federal law, and
- Propose any reasonable changes necessary to make the SRSP feasible or determine that it is not feasible.

If the SRSP Board determines a SRSP is feasible they would determine the amount of funding needed for establishing, administering and enforcing employer requirements in the SRSP. The SRSP would begin accepting contributions no earlier than January 1, 2019 and no later than January 1, 2021.

C.B. 119113 would establish an SRSP Administrative Fund in the City's budget that is separate from the City's General Fund. A SRSP Trust would be established that would hold the assets of Individual Retirement Accounts established for participating employees and the SRSP Board would appoint an institutional trustee. The bill would require an annual report to the Mayor and City Council with the first report due by December 31, 2018. The report would detail findings and recommendations from start-up activities undertaken in 2018.