



# OPPOSE

## State Sponsored Retirement Mandate

A.4982 (Rodriguez)/S.4344 (Savino)

We the organizations listed, represent thousands of businesses throughout New York State, and we **OPPOSE** this legislation that would (1) create an automatic payroll deduction savings retirement plan; and (2) establish a board responsible for the promotion of the plan and the financial administration of the program.

While the intention of the bill-- to encourage employees to save for retirement and to provide workers at small employers with access to a retirement savings plan-- is laudable, the bill is flawed for several reasons.

This proposal is yet another legislative mandate from Albany that will increase administrative and regulatory burdens and raise compliance costs on small employers. Further, this legislation sets forth specific fines and penalties for non-compliance with mandatory auto enrollment and deposit systems when an employer fails to enroll an employee without "reasonable cause." The absence of a definition of "reasonable cause" is of concern to employers, who the state all too often presumes act willfully and negligently toward employees in our hostile regulatory environment.

Finally, while the bill recognizes the unique challenges of "small businesses" with 25 or fewer employees and those that have been in business for two or fewer years, the exemption threshold is seemingly arbitrary. Other regulations related to employee benefits, such as the Family Medical Leave Act (FMLA) and Affordable Care Act, exempt businesses with 50 or fewer employees. This patchwork of laws and regulations that exempt "small employers" defined as having varying numbers of employees can create confusion with respect to compliance.

For these reasons, we oppose this legislation.

