

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

## **An Act To Create a State-sponsored 401(k) Retirement Plan for Participation by Private Employers**

**Be it enacted by the People of the State of Maine as follows:**

**Sec. 1. 10 MRSA c. 110, sub-c. 3-A** is enacted to read:

### **SUBCHAPTER 3-A**

### **MAINE RETIREMENT INVESTMENT PLAN**

#### **§ 1057. Plan**

The authority shall develop, establish and administer a tax-qualified defined contribution retirement investment plan, referred to in this section as "the plan," that must be made available to employers who wish to offer the plan as a retirement investment option to their employees. The plan must:

- 1. Section 401(k).** Meet the requirements for favorable tax treatment under Section 401(k) of the United States Internal Revenue Code;
- 2. Availability.** Be made available for participation by any employer;
- 3. Administration.** Be administered by the authority under contract with a 3rd-party administrator;
- 4. Options.** Provide options for participating employers and employees;
- 5. Fee structure.** Establish a fee structure for participating employers that covers the authority's costs of establishing and administering the plan; and
- 6. Cost containment.** Minimize costs to employers and employees through economies of scale, standardization and other measures.

**Sec. 2. Implementing legislation.** By January 15, 2012, the Finance Authority of Maine may submit to the Second Regular Session of the 125th Legislature any legislation necessary to facilitate implementation of the plan under the Maine Revised Statutes, Title 10, section 1057.

### **SUMMARY**

This bill directs the Finance Authority of Maine to establish a qualified defined contribution retirement investment plan eligible for favorable tax treatment under Section 401(k) of the United States Internal Revenue Code to be made available to employers who wish to offer the plan as a retirement investment option to their employees.