



May 7, 2008

Connecticut 401(k) Legislation Update

This past spring, ASPPA and CIKR intensively lobbied against passage of the Connecticut 401(k) state-administered small business legislation (SB 652), which would create a state sponsored and administered retirement program, including 401(k) plans, for small businesses and tax exempt entities with fewer than 100 employees. This bill was approved by the CT Senate in the middle of April and was placed on the CT House calendar on the last day of the 2008 CT General Assembly on May 7, 2008. We are pleased to announce that the 2008 CT General Assembly legislative session ended at midnight on May 7, 2008 without bringing SB 652 to the House floor, due in large part to the concentrated grassroots efforts of ASPPA and CIKR's outside lobbyists and members located within the State. This means the legislation was extinguished as it was not acted upon by midnight.

ASPPA and CIKR were fully prepared to fight the legislation had SB 652 been called for a vote before the CT House, as we had garnered enough support from the Connecticut Republicans to filibuster the bill. Further, the CT governor, M. Jodi Rell, had provided assurances that she would have vetoed the bill should it have come before her to sign into law.

We note that while SB 652 is likely derailed for now, there is a distinct possibility that the bill will come up again for consideration next year. In the high likelihood that this happens, ASPPA and CIKR will continue to work diligently to fight the CT legislation, as well as any other state-sponsored legislation, that could negatively affect the private 401(k) plan marketplace.