

1 A JOINT MEMORIAL

2 REQUESTING THE STATE TREASURER TO CONVENE A RETIREMENT INCOME  
3 SECURITY TASK FORCE TO IDENTIFY THE OPTIONS AND PROCESS FOR  
4 IMPLEMENTING A RETIREMENT SAVINGS VEHICLE FOR PRIVATE-SECTOR  
5 EMPLOYEES HAVING LIMITED OR NO ACCESS TO A RETIREMENT SAVINGS  
6 ARRANGEMENT AT WORK.

7  
8 WHEREAS, the United States is facing a vast retirement  
9 savings deficit, estimated to be as much as six trillion six  
10 hundred billion dollars (\$6,600,000,000,000), or about  
11 fifty-seven thousand dollars (\$57,000) per household; and

12 WHEREAS, it is estimated that fifty-three percent of  
13 American workers aged thirty and older are on a path that  
14 will leave them unprepared for retirement; and

15 WHEREAS, the median retirement account balance is two  
16 thousand five hundred dollars (\$2,500) for all working-age  
17 households and fourteen thousand five hundred dollars  
18 (\$14,500) for near-retirement households; and

19 WHEREAS, of the seventy-five million workers in the  
20 United States with access to a retirement savings plan, only  
21 eighty-one percent of these workers participate in a  
22 retirement savings plan; and

23 WHEREAS, fifty-five million American workers do not have  
24 any type of employer-sponsored retirement plan, leaving them  
25 more likely to rely on social security income as their only

1 source of retirement income; and

2 WHEREAS, three out of five families headed by a person  
3 aged sixty-five or older have no money in retirement savings  
4 accounts; and

5 WHEREAS, the median household headed by a person aged  
6 sixty to sixty-two with a 401(k) account has less than  
7 one-fourth of what is needed in that account to maintain its  
8 standard of living in retirement; and

9 WHEREAS, about sixty-two percent of New Mexico workers  
10 aged eighteen to sixty-four in the private sector work for  
11 businesses that do not offer a retirement plan; and

12 WHEREAS, more than one-half of all older New Mexicans  
13 rely on social security income for more than fifty percent of  
14 their family income; and

15 WHEREAS, roughly thirty-three percent of those aged  
16 sixty-five or older in New Mexico have ninety percent or more  
17 of their income coming from social security; and

18 WHEREAS, social security benefits average only about  
19 one thousand one hundred sixty dollars (\$1,160) per month in  
20 New Mexico, so many workers rely on employer-sponsored  
21 retirement plans to supplement their income as they age; and

22 WHEREAS, helping New Mexico residents to become  
23 financially secure and live independently as they age saves  
24 taxpayer dollars on social safety net programs; and

25 WHEREAS, the interim investments and pensions oversight

1 committee of the legislature has recognized the need to  
2 develop retirement savings options for New Mexicans who have  
3 no access to retirement savings options other than social  
4 security; and

5 WHEREAS, the retiree rights organization AARP and the  
6 financial industry have proposed several options for  
7 increasing retirement income security to the interim  
8 investments and pensions oversight committee;

9 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE  
10 STATE OF NEW MEXICO that the state treasurer be requested to  
11 establish a retirement income security task force to study  
12 the preparedness of New Mexicans to retire in a financially  
13 secure manner, including an evaluation of the options,  
14 process and legislative proposals to implement a state  
15 operated, privately operated or jointly operated retirement  
16 savings vehicle for private-sector employees having limited  
17 or no access to a retirement savings arrangement at work; and

18 BE IT FURTHER RESOLVED that the retirement income  
19 security task force:

20 A. determine the number of employees in the state  
21 not currently participating in an employer-sponsored  
22 retirement savings plan or arrangements;

23 B. consult with AARP New Mexico and other experts  
24 from the private and nonprofit sector concerning the  
25 establishment and operation of high-quality and low-cost

1 retirement savings plans that are governed by federal law and  
2 that qualify for tax-favored treatment under the state and  
3 federal tax codes;

4 C. perform an analysis to determine the best model  
5 for a statewide retirement income security plan;

6 D. develop criteria for participation by employees  
7 and employers;

8 E. perform an analysis of the cost to the state to  
9 implement a statewide retirement income security plan;

10 F. determine the cost to employers for  
11 participation in a statewide retirement income security plan;

12 G. determine the effect, if any, that the  
13 implementation of a statewide retirement income security plan  
14 may have on economic activity in this state;

15 H. explore other programs and incentives that can  
16 lead to an increase in the percentage of financially secure  
17 retirees in the state; and

18 I. determine the financial impact to the state's  
19 social safety net programs and general fund if the state  
20 fails to act to improve citizen access to retirement savings  
21 opportunities at work; and

22 BE IT FURTHER RESOLVED that the state treasurer be  
23 requested to invite the following individuals to join the  
24 task force:

25 A. one representative appointed by the speaker of

1 the house of representatives;

2 B. one representative appointed by the president  
3 pro tempore of the senate;

4 C. one representative appointed by the minority  
5 leader of the house of representatives;

6 D. one representative appointed by the minority  
7 leader of the senate;

8 E. the secretary of aging and long-term services  
9 or the secretary's designee;

10 F. the secretary of finance and administration or  
11 the secretary's designee;

12 G. the secretary of workforce solutions or the  
13 secretary's designee;

14 H. the secretary of economic development or the  
15 secretary's designee;

16 I. the state investment officer or the state  
17 investment officer's designee;

18 J. the executive director of the public employees  
19 retirement association or the executive director's designee;

20 K. the director of the securities division of the  
21 regulation and licensing department or the director's  
22 designee;

23 L. one representative of AARP New Mexico,  
24 designated by AARP New Mexico;

25 M. two members of the state's general business

1 community appointed by the state treasurer;

2 N. one representative of a nonprofit entity in the  
3 state appointed by the state treasurer;

4 O. one representative of a labor union operating  
5 in the state appointed by the state treasurer; and

6 P. two representatives of the financial services  
7 community appointed by the state treasurer; and

8 BE IT FURTHER RESOLVED that the retirement income  
9 security task force be requested to report its findings and  
10 recommendations to the interim committee charged with  
11 reviewing matters related to investments and pensions by  
12 July 1, 2018; and

13 BE IT FURTHER RESOLVED that copies of this memorial be  
14 transmitted to the governor, the president pro tempore of the  
15 senate, the speaker of the house of representatives, the state  
16 treasurer, the secretary of aging and long-term services, the  
17 minority leader of the senate, the minority leader of the  
18 house of representatives, the secretary of finance and  
19 administration, the secretary of workforce solutions, the  
20 secretary of economic development, the state investment  
21 officer, the executive director of the public employees  
22 retirement association, the director of the securities  
23 division of the regulation and licensing department and the  
24 state director of AARP New Mexico. \_\_\_\_\_