

Secretary of State
STATEMENT OF NEED AND FISCAL IMPACT
A Notice of Proposed Rulemaking Hearing accompanies this form.

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ARCHIVES DIVISION
SECRETARY OF STATE

Oregon State Treasury
Agency and Division

170
Administrative Rules Chapter Number

Creates new rules and modifies existing rules for the Oregon Retirement Savings Program

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of:

Oregon Retirement Savings Program (the "Program") new and revised administrative rules

Statutory Authority:

ORS 178.200 - 178.245

Other Authority:

Statutes Implemented:

ORS 178.215

Need for the Rule(s):

These revisions are necessary to make certain adjustments and additions to the existing rules. Specifically, the rules: 1) clarify the definitions in certain joint employment relationships, 2) allow for non-payroll contributions from participating employees, 3) clarify timing related to contributions, 4) allow for dollar-based contributions, and 5) provide a delegation of authority to the executive director. The revisions also update and add new defined terms, and adjust language to clarify existing rules.

Documents Relied Upon, and where they are available:

- 1) Rulemaking advisory committee materials, available here: <http://www.oregon.gov/retire/Pages/Rules.aspx>
- 2) Oregon Market Research Report, Center for Retirement Research at Boston College, July 2016. <http://www.oregon.gov/treasury/ORSP/Documents/ORSP%20Market%20Analysis%2013JULY2016.pdf>
- 3) Oregon Retirement Savings Plan website. <https://www.oregonsaves.com/>
- 4) Oregon Retirement Savings Board website. <http://www.oregon.gov/retire/Pages/index.aspx>

Fiscal and Economic Impact:

The Program convened a rules advisory committee to discuss the fiscal impacts of these proposed rules. The committee agreed that the current structure of the Program minimizes costs to small businesses.

Statement of Cost of Compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

The Program will have no impact on most state agencies; however, there is a financial impact to OST to administer the Program. These costs have been addressed through legislative appropriations in 2015 and 2017. The Program is authorized to collect a fee on Program assets to pay for administrative costs.

2. Cost of compliance effect on small business (ORS 183.336):

a. Estimate the number of small business and types of businesses and industries with small businesses subject to the rule:

There are approximately 53,000 small businesses in Oregon that will be subject to the rule. The new rule on joint employment will only affect those businesses utilizing leased or temporary employees.

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:

Every Oregon employer will either register and enroll its employees, or file a Certificate of Exemption, if applicable. Oregon employers are estimated to spend an aggregate 4-5 hours on these activities at the outset, plus a small number of minutes per employee. On an ongoing basis, it is estimated that employers will spend about 30 minutes per pay period including the Program deduction in their payroll activity, and about an hour per month on records retention and any other potential activities related to the Program.

c. Equipment, supplies, labor and increased administration required for compliance:

Additional equipment or supplies are not necessary to comply with this statute or these rules.

How were small businesses involved in the development of this rule?

The proposed rules refine the definitions in joint employment situations. These refinements were drafted with the assistance of a rule making advisory committee comprised of small business owners and owners of businesses directly affected by the rules.

Administrative Rule Advisory Committee consulted?: Yes

If not, why?:

Yes, these rules were drafted with the advice and assistance of a Rule Advisory Committee. The Committee met at the OST office in Tigard on June 14, July 6, and August 8, 2017.

09-22-2017 Close of Business	Kimberly Olson	kim.olson@ost.state.or.us
Last Day (m/d/yyyy) and Time for public comment	Printed Name	Email Address