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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

RELATING TO PUBLIC FINANCE -- RHODE ISLAND SECURE CHOICE RETIREMENT
SAVINGS PROGRAM ACT

Introduced By: Representative Evan P. Shanley

Date Introduced: February 04, 2026

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 35-23-2, 35-23-4 and 35-23-9 of the General Laws in Chapter 35-
2 23 entitled "Rhode Island Secure Choice Retirement Savings Program Act" are hereby amended to
3 read as follows:

4 **35-23-2. Definitions.**

5 As used in this chapter:

6 (1) "Eligible employee" means a person age eighteen (18) years or older who is employed
7 by an eligible or optional employer and has been employed for a period of not less than one hundred
8 twenty (120) days. "Eligible employee" does not include:

9 (i) Any employee covered under the federal Railway Labor Act (45 U.S.C. §§ 151—164
10 and 45 U.S.C §§ 181—188), or any employee engaged in interstate commerce not subject to the
11 legislative powers of the state, except insofar as application of this chapter is authorized under the
12 United States Constitution or laws of the United States; or

13 (ii) Any employee on whose behalf an employer makes contributions to a Taft-Hartley
14 pension trust fund.

15 (2) "Eligible employer" means a person or entity engaged in a business, industry,
16 profession, trade, or other enterprise in the state, whether for-profit or not-for-profit, excluding the
17 federal government, the state, any municipal corporation, or any of the state's units or
18 instrumentalities, that has five (5) or more employees and that satisfies the requirements to establish

1 or participate in a payroll deposit retirement savings arrangement. “Eligible employer” does not
2 include an employer that provides a tax-qualified retirement savings program as described in § 35-
3 23-9.

4 (3) “IRA” means an individual retirement account or individual retirement annuity under
5 26 U.S.C § 408 or § 408A (the federal Internal Revenue Code).

6 (4) "Optional employee" means a person age eighteen (18) years or older that is not
7 employed by an eligible employer but has elected to enroll in the program.

8 ~~(4)~~(5) “Optional employer” means a person or entity engaged in a business, industry,
9 profession, trade, or other enterprise in the state, whether for-profit or not-for-profit, excluding the
10 federal government, the state, any municipal corporation, or any of the state’s units or
11 instrumentalities, that has under five (5) employees.

12 ~~(5)~~(6) “Participating employer” means an eligible or optional employer that provides a
13 payroll deposit retirement savings arrangement provided for by this chapter for eligible employees.

14 ~~(6)~~(7) “Payroll deposit retirement savings arrangement” means an arrangement by which
15 an employer allows employees to remit payroll deduction contributions to the RISavers retirement
16 savings program.

17 ~~(7)~~(8) “RISavers retirement savings program” or “program” means a retirement savings
18 program offered by the Rhode Island secure choice retirement savings program.

19 ~~(8)~~(9) “State investment commission” or “commission” means the state investment
20 commission established pursuant to the provisions of § 35-10-1.

21 **35-23-4. Investments.**

22 (a) The office of the general treasurer may select an appropriate third-party administrator(s)
23 for the program and shall adopt such plan, trust, and/or custodial documents, with such features
24 and attributes as the office of the general treasurer determines necessary or advisable in its
25 discretion to effectuate the provisions of this chapter in accordance with the following:

26 (1) The office of the general treasurer may select one or more firm(s) or company(ies) to
27 provide retirement program investments, program administration, and communication services to
28 employees who participate in the retirement savings program. The program shall provide for
29 appropriate long-term retirement-oriented investments and shall include investment options as
30 determined by the state investment commission. In determining the firm(s) or the company(ies) to
31 provide these services, the office of the general treasurer shall consider the following:

32 (i) The financial stability of the company or firm;

33 (ii) The cost of the investments, program administration, and services to the members;

34 (iii) The experience of the company or firm in administering retirement savings plans;

1 (iv) The experience of the company or firm in providing education, counseling, and advice
2 to participants of retirement savings plans; and

3 (v) Any criminal convictions, securities or antitrust law violations, material civil or
4 regulatory fines or judgments against the company or firm which the company or firm shall be
5 required to disclose to the office of the general treasurer and the commission as part of the selection
6 process.

7 (2) The program shall provide education, counseling, and objective employee-specific plan
8 advice to participants.

9 (3) The program shall include a limited number of investment options that shall include
10 either:

11 (i) Investment portfolio options that are constructed to reflect different risk profiles such
12 as conservative, moderate, and aggressive; and/or

13 (ii) Options constructed to reflect different risk profiles that automatically reallocate and
14 rebalance contributions as an employee ages. There shall be investment options that prioritize the
15 securities of companies that demonstrate good governance; efficient use of environmental
16 resources; and thoughtful management of social impact. All investment offerings shall be ~~approved~~
17 considered by the state investment commission no less than once every three (3) years.

18 (b) The Rhode Island secure choice retirement savings program is an instrumentality of the
19 state. Any security issued, managed, or invested by the state investment commission within the
20 Rhode Island secure choice retirement savings program on behalf of an individual participating
21 within the RISavers retirement savings program shall be state income tax deferred for investment
22 earnings to include interest, dividends, and capital gains until such time as withdrawal pursuant to
23 the terms of this chapter.

24 (c) The third-party administrator(s) shall adopt a written statement of investment policy
25 that includes a risk management and oversight program. The state investment commission shall
26 consider the statement of investment policy ~~and any changes in the investment policy~~ at a public
27 meeting no less than once every three (3) years.

28 **35-23-9. Employer participation.**

29 (a) After the office of the general treasurer opens the RISavers retirement savings program
30 for enrollment, eligible employers shall have a payroll deposit retirement savings arrangement to
31 allow employee participation in the program under the terms and conditions prescribed by the office
32 of the general treasurer.

33 (b) Within twelve (12) months after the office of the general treasurer opens the program
34 for enrollment, eligible employers with more than one hundred (100) eligible employees and that

1 do not offer a retirement savings program pursuant to subsection (g) of this section shall have a
2 payroll deposit retirement savings arrangement to allow employee participation in the program.

3 (c) Within twenty-four (24) months after the office of the general treasurer opens the
4 program for enrollment, eligible employers with more than fifty (50) eligible employees and that
5 do not offer a retirement savings program pursuant to subsection (g) of this section shall have a
6 payroll deposit retirement savings arrangement to allow employee participation in the program.

7 (d) Within thirty-six (36) months after the office of the general treasurer opens the program
8 for enrollment, all other eligible employers that do not offer a retirement savings program pursuant
9 to subsection (g) of this section shall have a payroll deposit retirement savings arrangement to allow
10 employee participation in the program.

11 (e) The office of the general treasurer, in its discretion, may extend the time limits defined
12 in subsections (b) through (d) of this section.

13 (f)(1) Each eligible employee shall be enrolled in the program unless the employee elects
14 not to participate in the program. An eligible employee may elect to opt out of the program at any
15 time by making a notation on the opt-out form.

16 (2) Following initial implementation of the program pursuant to this section, at least once
17 every year, the office of the general treasurer shall designate an open enrollment period during
18 which eligible employees that previously opted-out of the program may enroll in the program.

19 (3) An employee who elects to opt out of the program who subsequently elects to
20 participate through the employer's payroll deposit retirement savings arrangement may enroll at
21 any time.

22 (g)(1) An employer that provides an employer-sponsored retirement plan, such as a defined
23 benefit plan or a 401(k), 403(b), 457(b), simplified employee pension (SEP) plan, or savings
24 incentive match plan for employees (SIMPLE) plan, or that offers ~~an automatic enrollment~~ a payroll
25 deduction IRA, shall be exempt from the requirements of the RISavers retirement savings program,
26 if the plan or IRA qualifies for favorable federal income tax treatment under the federal Internal
27 Revenue Code.

28 (2) An employer shall retain the option at all times to set up and offer a tax-qualified
29 retirement plan, instead of facilitating employee participation in the RISavers retirement savings
30 program.

31 (h)(1) Following initial implementation of the program pursuant to this section, and at least
32 once every year, the general treasurer shall designate an open enrollment period during which
33 optional ~~employers~~ employees may enroll in the program.

34 (2) An optional ~~employer~~ employee that enrolls in the program may ~~elect to opt out of~~

1 withdraw from the program upon thirty (30) days' notice provided to ~~employees~~ their employer
2 and to the office of the general treasurer.

3 (i) By regulation, the office of the general treasurer may set a default contribution rate,
4 unless otherwise specified by the employee. Employees shall have the ability to change their
5 contribution rate at any time with thirty (30) days' notice provided to the office of the general
6 treasurer.

7 SECTION 2. Chapter 35-23 of the General Laws entitled "Rhode Island Secure Choice
8 Retirement Savings Program Act" is hereby amended by adding thereto the following section:

9 **35-23-19. Severability.**

10 The provisions of this chapter are severable, and if any of its provisions shall be held
11 unconstitutional or are found to be preempted by federal law or by any court of competent
12 jurisdiction, the decision of the court shall not affect or impair any of the remaining provisions.

13 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO PUBLIC FINANCE -- RHODE ISLAND SECURE CHOICE RETIREMENT
SAVINGS PROGRAM ACT

- 1 This act would make several technical amendments to the Rhode Island secure choice
2 retirement savings program act necessary for continued administration and inter-state partnership.
3 This act would take effect upon passage.

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