

# ASSEMBLY, No. 5151

## STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED AUGUST 24, 2017

**Sponsored by:**

**Assemblywoman AMY H. HANDLIN**  
**District 13 (Monmouth)**

**SYNOPSIS**

Requires person administering annuity retirement plans for teachers to annually disclose fee ratio, return, and fees to each participant.

**CURRENT VERSION OF TEXT**

As introduced.



A5151 HANDLIN

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1 AN ACT requiring disclosures for persons providing annuity  
2 retirement plans to certain school board employees and  
3 supplementing chapter 66 of Title 18A of the New Jersey  
4 Statutes.

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6 **BE IT ENACTED** by the Senate and General Assembly of the State  
7 of New Jersey:

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9 1. a. Any person who administers an annuity retirement plan  
10 offered by a school board on behalf of school board employees shall  
11 disclose to each participant in such retirement plan:

12 (1) the fee ratio and return, net of fees, for each investment under  
13 the retirement plan; and

14 (2) the fees paid to any person who, for compensation, engages  
15 in the business of providing investment advice to participants in the  
16 retirement plan either directly or through publications or writings.

17 b. The disclosures required under subsection a. of this section  
18 shall be made upon a participant's initial enrollment in the  
19 retirement plan and at least annually thereafter.

20 For the purposes of this section, "retirement plan" means any  
21 retirement plan created in accordance with the provisions of section  
22 403(b) of the Internal Revenue Code of 1986, or any subsequent  
23 corresponding internal revenue code of the United States, as  
24 amended from time to time, that is not made available through a  
25 State-administered retirement system under the Supplemental  
26 Annuity Collective Trust pursuant to P.L.1963, c.123 (C.52:18A-  
27 107 et seq.) or the Additional Contributions Tax-Sheltered Program  
28 pursuant to section 1 of P.L.1995, c.92 (C.52:18A-113.2).

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30 2. This act shall take effect immediately.

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STATEMENT

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35 This bill requires persons who administer certain supplemental  
36 annuity retirement plans for teachers, offered by a local school  
37 board, to disclose to each plan participant the (1) fee ratio and  
38 return, net of fees, for each investment under the plan and (2) fees  
39 paid to any person who, for compensation, provides investment  
40 advice to participants directly or through publications or writings.  
41 The plan administrator must make the disclosures upon a  
42 participant's enrollment and annually thereafter. Under the bill,  
43 "retirement plan" means any retirement plan created under section  
44 403(b) of the Internal Revenue Code that is not made available  
45 through a State-administered retirement system through the  
46 Supplemental Annuity Collective Trust (SACT) or the Additional  
47 Contributions Tax-Sheltered Program (ACTS).

**A5151 HANDLIN**

1 Under current law, school employees who are teachers may enter  
2 into an agreement with the school board to have a portion of their  
3 salary deducted for deposit into a supplemental annuity retirement  
4 account. Under section 403(b) of the Internal Revenue Code,  
5 teachers may elect to defer a portion of their current earnings and  
6 invest those earnings, tax-free, until withdrawn, usually at  
7 retirement. The 403(b) plans are similar to plans the code authorizes  
8 for private-sector employees (401(k) plans) and non-educational  
9 public employees (457 plans).