

Defined Benefit Plans

Connecticut Pension De-Risking Bill Enacted; New York Legislation Dies in Committee

Connecticut Gov. Dannel P. Malloy (D) signed into law a bill that requires insurance companies in the state to protect participants' and beneficiaries' pension annuities from creditors.

The legislation (H.B. 6772; Public Act 15-167), signed into law July 2, provides creditor protections similar to those for pension payments available under the Employee Retirement Income Security Act. The new requirements are effective Oct. 1.

The law was trimmed down from a more robust proposal that matched best-practice recommendations on creditor protections as well as expanded disclosures offered by the Troy, N.Y.-based National Conference of Insurance Legislators (NCOIL) in November 2014 (42 BPR 567, 3/24/15).

Legislators in New York also proposed a pension de-risking bill (S. 1092A/AO 6796) that included the NCOIL's best practices recommendations, but that bill died in the state's Senate and Assembly insurance committees.

New York state Sen. Tony Avella (D), sponsor of the Senate bill, has "consistently prioritized this important bill, and will push this bill next year," Heather K. Sager, a spokeswoman for the senator, told Bloomberg BNA on July 7.

Edward S. Stone, of Edward Stone Law PC in Greenwich, Conn., told Bloomberg BNA on July 7 that ProtectSeniors.org, a retirees' group that he represents and that has lobbied for the bill, will also push to have the bill re-introduced in 2016.

"ProtectSeniors.Org will continue to introduce legislation and educate members of the legislature about little-known risks of de-risking from the retirees' perspective," he said.

Stone also vowed to push for pension de-risking legislation beyond New York.

"A number of other states are on our list—and we only have 49 more to go," he said.

By SEAN FORBES

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Text of Connecticut Public Act 15-167 is at <http://op.bna.com/pen.nsf/r?Open=pkun-9y7p3e>.

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