

NEW YORK SECURE CHOICE SAVINGS PROGRAM BOARD

PROPOSED BYLAWS

ARTICLE 1 NAME

Section 1.1 Board Name.

The name of this Board is the New York Secure Choice Savings Program Board (the "Board").

ARTICLE 2 OBJECTIVES AND PURPOSES

Section 3.1 General Purpose.

The general purpose for which this Board is organized is to develop a program that will promote greater retirement savings for New York private-sector employees (the "Program") in a convenient, low-cost, and portable manner, as provided by Article 43 of the New York General Business Law.

ARTICLE 3 POWERS AND DUTIES

Section 3.1 Powers and Duties

Pursuant to and consistent with Article 43 of the General Business Law, the Board shall have the following powers and duties:

1. To cause the Program to be designed, established and operated in a manner that accords with best practices for retirement savings vehicles; maximizes participation, savings, and sound investment practices, including considering the use of automatic enrollment as allowed under federal law; maximizes simplicity, including ease of administration for participating employers and enrollees; provides an efficient product to enrollees by pooling investment funds; ensures the portability of benefits; and provides for the deaccumulation of enrollee assets in a manner that provides a financial benefit in retirement.
2. To make and enter into contracts necessary for the administration of the Program, including, but not limited to, retaining and contracting with investment managers, financial organizations, other financial and service providers, consultants, actuaries, counsel, auditors, third-party administrators, and other professionals as necessary.
3. To evaluate and establish or authorize the process for enrollment of participating employers in the Program and the process for enrollment of employees, including the process by which an employee may opt not to participate in the Program, select a contribution level, select an investment option, make withdrawals from the Program, and terminate participation in the Program.
4. To annually adopt an investment policy that includes a risk management and oversight program designed to ensure that an effective system is in place to monitor and manage the risks of the Program.

5. To establish or authorize a default investment option for Program enrollees and establish or authorize any additional investment options that the Board deems appropriate.
6. To cause moneys in the Program to be held and invested as pooled investments or otherwise, with a view to achieving cost savings through efficiencies and economies of scale.
7. To establish or authorize the process by which interest, investment earnings, and investment losses are allocated to individual Program accounts on a pro rata basis and are computed at the interest rate on the balance of an individual's account.
8. To provide for the payment of administrative costs and expenses for the creation, management, and operation of the Program and for the allocation of administrative fees to individual retirement accounts in the Program on a pro rata basis.
9. To facilitate education and outreach to employers and employees.
10. To determine employee rights and enforcement of penalties.
11. To facilitate compliance by the Program with all applicable requirements for the Program under the Internal Revenue Code, including tax qualification requirements, minimum and maximum contribution levels in accordance with limits established for IRAs, or any other applicable legal, financial reporting and accounting requirements.
12. To conduct a periodic review of the performance of any financial organizations, including, but not limited to, a review of returns, fees, and customer service. A copy of reviews shall be posted to the Program's Internet website.
13. To evaluate the need for, and procure as needed, insurance against any and all loss in connection with the property, assets, or activities of the Program, and indemnify as needed each member of the Board from personal loss or liability resulting from a member's action or inaction as a member of the Board.
14. To carry out the duties and obligations of the Program in an effective, efficient, and low-cost manner.
15. To delegate such authority and responsibility for the development and implementation of the Program to the Department of Taxation and Finance (the "Department") as the Board deems proper. The Board may further delegate to the Department any of the powers and duties granted to it under these Bylaws or Article 43 of the General Business Law as the Board deems proper.
16. To exercise any and all other powers reasonably necessary for the effectuation of the purposes, objectives, and provisions of Article 43 of the General Business Law.

Section 3.2 Prohibited Activities.

The Board shall not, except in any insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes described in Section 3.1 above.

ARTICLE 4 MEMBERS

Section 4.1 Members

The Board shall consist of seven members: the Commissioner of the Department of Taxation and Finance (or their designee), the New York State Comptroller (or their designee), the Superintendent of the Department of Financial Services (or their designee), two public representatives with expertise in retirement savings plan administration or investment or both, one of whom shall be appointed by the Speaker of the Assembly and one of whom shall be appointed by the Temporary President of the Senate; a representative of participating employers, appointed by the Governor, and a representative of enrollees, appointed by the Governor.

Section 4.2 Compensation

Members of the Board shall serve without compensation but may be reimbursed for necessary travel expenses incurred in connection with their board duties from funds appropriated for this purpose.

Section 4.3 Terms of Office

The initial appointments shall be as follows: the public representatives for four years; the representative of participating employers for three years; and the representative of enrollees for three years. Thereafter, all the Governor's appointments shall be for terms of four years. A vacancy in the term of an appointed Board member shall be filled for the balance of the unexpired term in the same manner as the original appointment.

Section 4.4 Fiduciary Duty

The members of the Board, any agents appointed or engaged by the Board, and all persons serving as staff, shall discharge their duties with respect to the Program solely in the interest of the Program's enrollees and beneficiaries, for the exclusive purposes of providing benefits to enrollees and beneficiaries and defraying reasonable expenses of administering the Program, by investing with the care, skill, prudence, and diligence under the prevailing circumstances that a prudent person acting in a like capacity and familiar with those matters would use in the conduct of an enterprise of a like character and with like aims, and by using any contributions into the fund exclusively for the purpose of paying benefits to the enrollees of the Program, for the cost of administration of the Program, and for investments made for the benefit of the Program.

ARTICLE 5 OFFICERS

Section 5.1 Chair of the Board.

The Commissioner of the Department of Taxation and Finance (or their designee) shall serve as Chair. The Chair shall be the chief executive officer of the Board and shall preside at meetings of the Board and exercise and perform such other powers and duties as may from time to time be assigned by the Board or prescribed by these Bylaws.

Section 5.2 Secretary of the Board

The Chair shall appoint a Secretary to the Board from among the staff of the Department. The Secretary shall ensure that notice of all meetings of the Board is provided in accordance with the requirements of the Open Meetings Law; keep minutes of all meetings, proceedings, and actions of the Board; certify and maintain the original, or a copy of these Bylaws as amended to date; and have such other powers and perform such other duties as may be prescribed by the Board or these Bylaws.

ARTICLE 6 MEETINGS

Section 6.1 Meetings

Regular meetings of the Board may be held at any place within the State of New York that has been designated from time to time by the Board. Special meetings of the Board shall be held at any place within the State of New York that has been designated in the notice of the meeting. Notwithstanding the above, a regular or special meeting of the Board may be held at any place consented to in writing by all members of the Board, either before or after the meeting. If consents are given, they shall be filed with the minutes of the meeting.

Meetings of the Board shall be noticed and conducted in accordance with the provisions of the Open Meetings Law.

Section 6.2 Quorum

No official business of the Board shall be conducted without a quorum of Board members participating, whether in person, telephonically, or electronically. A quorum at regular meetings shall be at least four (4) members of the Board, available in person, telephonically, or electronically, and at least four (4) members of the Board must approve any formal action to perform or exercise the Board's power, authority or duties.

Section 6.3 Meeting Minutes

Minutes shall be taken at all meetings of the Board and shall include a record or summary of all motions, proposals, resolutions and any other matter formally voted upon and the vote thereon. Minutes shall also be taken at executive sessions of any action that is taken by formal vote and shall include a record or summary of the final determination of such action, and the date and vote thereon; provided, however, that such summary need not include any matter that is not required to be made public by the freedom of information law. Meeting minutes shall be available to the public in accordance with the provisions of the open meetings law and the freedom of information law.

ARTICLE 7 INDEMNIFICATION OF BOARD MEMBERS, EMPLOYEES AND AGENTS

Section 7.1 Indemnification

No member, employee or agent of the Board shall be liable for any loss or deficiency resulting from particular investments selected under this article, except for any liability that arises out of a breach of fiduciary duty, and shall be entitled to defense and indemnification in accordance with section 17 of the Public Officers Law.