



City of Philadelphia

City Council
Chief Clerk's Office
402 City Hall
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BILL NO. 250651 (As Amended, 11/19/25)

Introduced June 12, 2025

Councilmember Driscoll for Council President Johnson

**Referred to the
Committee on Law and Government**

AN ORDINANCE

Amending Title 19 ("Finance, Taxes and Collections") of The Philadelphia Code to add a new chapter creating the Philadelphia Retirement Savings Program as an automated savings program for certain employees in the City of Philadelphia, to establish the Philadelphia Retirement Savings Board, and to establish the Retirement Savings Administrative Fund, all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS

Section 1. Title 19 of The Philadelphia Code is hereby amended to read as follows:

TITLE 19. FINANCE, TAXES AND COLLECTIONS

* * *

CHAPTER 19-4700. AUTOMATED SAVINGS PROGRAM

§ 19-4701. Definitions.

(1) "Board" means the Philadelphia Retirement Savings Board established under this chapter.

(2) "Covered employee" means an individual who is employed by a covered employer, whose regular duties occur in the city, and who has wages or other compensation allocable to the State of Pennsylvania. "Covered employee" does not include:

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(a) *Any individual who is an employee of the federal government, Pennsylvania or any other state, any county or municipal corporation, or any of Pennsylvania's or any other state's agencies or instrumentalities.*

(b) *Any employee covered under the federal Railway Labor Act.*

(c) *Any employee on whose behalf an employer makes contributions to a Taft-Hartley multiemployer pension plan.*

(d) *Any employee who is ineligible for covered employee status under regulations promulgated by the Board.*

(e) *Any employee under the age of 18.*

(3) *"Covered employer" means any person, partnership, limited liability company, corporation, or other entity engaged in a business, industry, profession, trade, or other enterprise in the City of Philadelphia, including a nonprofit entity, that employs, and during the previous calendar year employed, at least 1 covered employee and that has been in business in the City for at least 24 months. Covered employer does not include:*

(a) *The federal government, Pennsylvania, any other state, any county, any municipal corporation, or any of the City's agencies or instrumentalities.*

(b) *Any employer that maintains a qualified retirement plan.*

(4) *"ERISA" means the federal Employee Retirement Income Security Act of 1974, as amended (29 U.S.C. § 1001, et seq.)*

(5) *"Internal Revenue Code" means the federal Internal Revenue Code of 1986, as amended (26 U.S.C.), or any successor law, in effect for the calendar year.*

(6) *"IRA" means a traditional or Roth individual retirement account or individual retirement annuity described in subsections 408(a), 408(b), or § 408A of the Internal Revenue Code.*

(7) *"Participant" means any individual who is contributing to, or has a balance credited to, an IRA under the Program.*

(8) *"Program" means the Philadelphia Retirement Savings Program established by this chapter.*

(9) *"Qualified retirement plan" means a retirement plan qualified under, or described in, and in compliance with subsections 401(a), 401(k), 403(a), 403(b), 408(k), 408(p), or 457(b) of the Internal Revenue Code.*

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(10) “Wages” means any commission, compensation, salary or other remuneration, as defined by subsection 219(f)(1) of the Internal Revenue Code received by a participant from a covered employer.

§ 19-4702. *Composition of the Philadelphia Retirement Savings Board.*

The Mayor and Council President shall each appoint to the Board:

(1) *One representative of employer-side organizations. Examples include: the African American Chamber of Commerce, the Asian American Chamber of Commerce, the Greater Philadelphia Chamber of Commerce, Greater Philadelphia First, the Greater Northeast Chamber of Commerce, the Hispanic Chamber of Commerce, the Independent Business Alliance, the North Philadelphia Chamber of Commerce, and the Pennsylvania Restaurant & Lodging Association;*

(2) *One representative of employee-side organizations. Examples include: the Philadelphia Building & Construction Trades Council, the Philadelphia Council AFL-CIO, the National Domestic Workers Alliance, the Philadelphia Joint Board, Workers United and Unite Here Philadelphia;*

(3) *One representative of retiree advocates. Examples include: AARP Pennsylvania, the Pennsylvania Alliance for Retired Americans, and the SeniorLAW Center;*

(4) *One individual with expertise in the field of investments.*

§ 19-4703. *Powers of the Philadelphia Retirement Savings Board.*

(1) *The Philadelphia Retirement Savings Board shall develop a defined contribution retirement program known as the Philadelphia Retirement Savings Program for covered employees.*

(2) *The Board has the following powers:*

(a) *To establish, implement, and maintain the Program developed under this section;*

(b) *To promulgate rules and regulations as are necessary to carry out the purpose and intent of this chapter, and to ensure that the Program complies with applicable federal and state laws, rules, regulations, notices, and interpretations;*

(c) *To direct the investment of the funds contributed to accounts in the Program consistent with the investment policy established by the Board. The investment policy must be consistent with the Board’s fiduciary responsibility to discharge its duties*

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solely in the interest of the Program's enrollees and beneficiaries, and the Board shall exercise the judgment and care then prevailing that persons of prudence, discretion, and intelligence exercise in the management of their own affairs with due regard to the probable income and level of risk from certain types of investments of money, in accordance with the policies established by the Board;

(d) To collect application, account, or administrative fees to defray the costs of administering the Program;

(e) To make or enter into contracts or agreements with:

(.1) Financial institutions, depositories, consultants, actuaries, auditors, investment advisers, investment managers, third-party administrators, or other consultants and professionals as necessary to carry out the duties and responsibilities under this part and the Program established by the Board;

(.2) Individuals or entities providing research, technical assistance, or technology; and

(.3) City agencies to assist the Board in the fulfilment of its duties. The Board may enter into memoranda of understanding with the City and any agency or instrumentality of the City in order to further the successful implementation and operation of the Program through the provision, receipt, or other sharing of data, technical assistance, enforcement, compliance, collection, and other services or assistance to the Program, and all such agencies and instrumentalities shall cooperate with the Board in achieving those ends.

(f) To develop and implement an outreach plan to gain input and disseminate information regarding the Program and retirement savings in general;

(3) The Board may enter into a consortium, alliance, joint venture, partnership, compact, or contract with another city, state, or states or their retirement savings programs or boards.

§ 19-4704. Requirements of the Philadelphia Retirement Savings Program.

(1) The Program developed and established by the Philadelphia Retirement Savings Board under § 19-4703 must:

(a) Allow covered employees in the city to contribute to an account established under the Program through payroll deduction;

(b) Require a covered employer with at least one (1) covered employee to facilitate its covered employees to contribute to the Program through payroll deduction unless the covered employer offers a qualified retirement plan;

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(c) *Provide for automatic enrollment of covered employees and allow covered employees to opt out of the Program;*

(d) *Have an initial default contribution rate between three and six percent (3%-6%) of wages or salary upon establishment of the Program, as determined by the Board;*

(.1) *The Board may determine in its discretion to increase the automatic default contribution rate for all participants based on their years of participation, provided that such increases shall be either 1% or 2% of compensation and shall not occur more frequently than annually.*

(.2) *The maximum default contribution rate established by the Board shall not exceed 10%.*

(e) *Provide for contributions to the Program to be deposited directly into an IRA with the investment administrator for the Program. The Board must establish procedures to allow participants to open an account. The default account type is a Roth IRA, but participants can elect to establish only a traditional IRA, or both a Roth and a traditional IRA;*

(f) *Whenever possible, use existing employer and public systems and infrastructure to facilitate contributions to the Program, recordkeeping, and outreach;*

(g) *Prohibit employer contributions to participating employee accounts;*

(h) *Require the maintenance of separate records and accounting for each participant account;*

(i) *Provide for reports on the status of participant accounts to be provided to Program participants at least annually;*

(j) *Allow for account owners to maintain an account regardless of place of employment within the City and to roll over funds into other retirement accounts;*

(k) *Pool accounts established under the Program for investment;*

(l) *Be professionally managed;*

(m) *Provide that the City of Philadelphia and employers that participate in the Program have no proprietary interest in the contributions to or earnings on amounts contributed to accounts established under the Program;*

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(n) *Provide that the investment administrator for the Program is the trustee of all contributions and earnings on amounts contributed to accounts established under the Program;*

(o) *Not impose any duties under ERISA on employers;*

(p) *Keep administrative fees in the plan as low as practicable;*

(q) *Allow the use of private sector partnerships to administer and invest the contributions to the Program under the supervision and guidance of the Board;*

(r) *Allow covered employers to establish a qualified retirement plan at any time and cease to offer the Program; and*

(s) *Select investment options, including the default, consistent with the objectives of the Program.*

(2) *The Program, the Board, each Board member, and the City of Philadelphia shall not guarantee any rate of return or any interest rate on any contribution.*

§ 19-4705. *Rules and Regulations from the Philadelphia Retirement Savings Board.*

(1) *The Philadelphia Retirement Savings Board shall adopt rules and regulations that:*

(a) *Establish the process for enrollment in the Program developed under § 19-4703, including procedures for automatic enrollment of covered employees and for covered employees to opt out of the Program;*

(b) *Establish the process for participating employees to make the default contributions to participant accounts and to adjust the contribution levels;*

(c) *Establish the process for covered employers to withhold participating employee contributions to participant accounts from the participating employees' wages and send the contributions to the investment administrator for the Program;*

(d) *Set minimum, maximum, and default contribution levels in accordance with limits established by the Internal Revenue Code;*

(e) *Establish the process for withdrawals from participant accounts;*

(f) *Establish the process and requirements for an employer to demonstrate they are not a covered employer;*

(2) *The Board is authorized to develop enforcement mechanisms as necessary.*

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(3) *The Board may adopt rules and regulations to permit the Program to honor claims under a qualified domestic relations order. As used in this subsection, "qualified domestic relations order" has the same meaning as provided in subsection 414(p) of the Internal Revenue Code.*

(4) *The Board is authorized to adopt rules and regulations as to whether individuals who are self-employed as independent contractors can participate in the Program.*

(5) *The Board is authorized to adopt rules and regulations as to whether to allow individuals to opt in to the Program without being employed at a covered employer.*

(6) *The Board is authorized to implement the Program in a phased approach as needed, such as according to factors like the size of businesses, differences between electronic and paper payroll systems, and other criteria.*

§ 19-4706. *Disclosures by the Philadelphia Retirement Savings Board.*

(1) *The Board is authorized to make any information or disclaimers that the Board deems appropriate to covered employees, other eligible individuals, and participants, including:*

(a) *The following information in plain language and in the designated citywide languages:*

(.1) *The benefits and risks associated with enrolling in the Program;*

(.2) *Any applicable procedures regarding contributions to the Program and procedures regarding opting out of such program;*

(.3) *Any applicable procedures regarding increasing or decreasing the rate or amount of contribution;*

(.4) *Options and processes for withdrawing account balances;*

(.5) *Any applicable procedures regarding obtaining additional information about the Program;*

(.6) *Any applicable procedures regarding making complaints about non-compliance by covered employers or other concerns regarding the Program;*

(.7) *Information regarding the right of covered employees, other eligible individuals, and participants to seek financial advice concerning retirement savings from financial advisers, tax advisers, or other qualified individuals; and*

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(.8) *Fund profiles, including fees, for each of the available investment options.*

(b) *The following disclaimers in plain language and in the designated citywide languages:*

(.1) *Covered employers, the Board and its members, and the City and its representatives are not authorized to provide financial advice;*

(.2) *The Program is not an employee benefit plan under ERISA;*

(.3) *Covered employers, the Board and its members, and the City and its representatives will not monitor and are not obliged to monitor any participant's eligibility under the Internal Revenue Code to make contributions to an IRA, and certain individuals are not eligible to make IRA contributions and therefore individuals should take steps to confirm their participation in the Program is permissible; and*

(.4) *Neither the Program, the principal investment, any return on investment nor any interest rate is guaranteed by covered employers, the Board or its members, or the City or its representatives except as otherwise required by federal or state law.*

§ 19-4707. *Nondisclosure of Personal Information.*

(1) *Notwithstanding any other law to the contrary, the City shall not disclose personal information about a participant obtained in connection with an account established under this Program, except under the following circumstances:*

(a) *To an individual or entity authorized by the respective participant;*

(b) *In compliance with a subpoena or a court order;*

(c) *To the Controller for the purpose of an audit;*

(d) *To the Internal Revenue Service or the United States Department of the Treasury;*

(e) *To the participant's employer as may be necessary to administer the Program; or*

(f) *In an administrative proceeding or court action involving Pennsylvania, the United States Department of Treasury, the Pennsylvania Treasury Department, or the Board relative to an account established under this Program.*

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(2) *As used in this section, "personal information" includes, but is not limited to:*

- (a) *Social security numbers;*
- (b) *Bank account numbers;*
- (c) *Transit routing numbers;*
- (d) *Credit card numbers;*
- (e) *Debit card numbers;*
- (f) *Business or residential addresses;*
- (g) *Telephone numbers;*
- (h) *Email addresses;*
- (i) *Amounts contributed; and*
- (j) *Earnings on amounts contributed.*

§ 19-4708. Pre-Establishment Activities.

Before establishing a Program developed under § 19-4703, the Board is authorized and encouraged to conduct a market analysis to determine the feasibility of the Program.

§ 19-4709. Public Reporting.

The Board shall report no later than December 31 of each year to the Mayor and City Council detailing the Board's activities during the previous fiscal year.

§ 19-4710. Date of Implementation.

The Board shall establish the Program under § 19-4703 so that individuals may begin making contributions to the plan no later than July 1, 2027.

Section 2. This Ordinance shall become effective immediately.

Explanation:

Italics indicate new matter added.

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