

# PROCLAMATION

BY THE

## Governor of the State of Texas

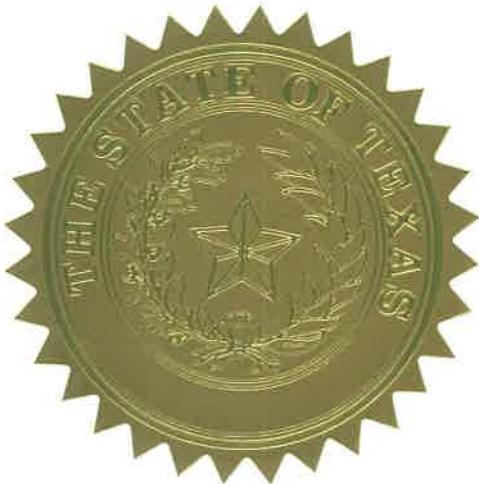
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TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Greg Abbott, Governor of Texas, do hereby disapprove of and veto House Bill No. 2068 as passed by the Eighty-Fourth Texas Legislature, Regular Session, because of the following objections:

House Bill 2068 provides for the automatic enrollment of hospital district employees in a retirement plan at a contribution level of one percent unless the employee elects not to participate. Studies have shown, however, that automatic enrollment at a very low contribution percentage actually ends up reducing employees' overall retirement savings. This is because automatically enrolled employees are unlikely to voluntarily elect to contribute more than the automatic contribution. If required to choose a contribution amount, many employees will select an amount much greater than the automatic contribution. See Ryan Bubb & Richard H. Pildes, *How Behavioral Economics Trims Its Sails And Why*, 127 HARV. L. REV. 1593, 1609 (2014) (“[I]n practice these programs appear to reduce overall retirement savings.”); see also Eleanor Laise, *Automatic 401(k) Plans Might Not Save Enough*, WALL STREET JOURNAL (Jan. 8, 2008). One of the largest retirement plan administrators in the country has reported that between 2007 and 2011, the percentage of plans using automatic enrollment—usually with a default contribution of three percent—nearly doubled, while overall retirement savings rates declined. VANGUARD, HOW AMERICA SAVES 2012, at 29 fig.31 (2012) (attributing this decline in part “to the growing use of automatic enrollment and the tendency of participants to stick with the default deferral”). Thus, House Bill 2068 would likely undermine its stated goal of increasing retirement savings and investment returns.

Since the Eighty-Fourth Texas Legislature, Regular Session, by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 19th day of June, 2015.

  
GREG ABBOTT  
Governor of Texas

ATTESTED BY:



CARLOS CASCOS  
Secretary of State

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
2 PM O'CLOCK

JUN 20 2015