

STAND. COM. REP. NO.

2396

Honolulu, Hawaii

FEB 15 2008

RE: S.B. No. 3066

S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Madam:

Your Committee on Judiciary and Labor, to which was referred  
S.B. No. 3066 entitled:

"A BILL FOR AN ACT RELATING TO THE STATE OF HAWAII DEFERRED  
COMPENSATION PLAN,"

begs leave to report as follows:

The purpose of this measure is to assist eligible state and  
county employees in saving for retirement by automatically  
enrolling new employees in the State of Hawaii Deferred  
Compensation Plan.

Specifically, this measure would automatically enroll  
eligible state and county employees hired after July 1, 2009, in  
the State of Hawaii Deferred Compensation Plan; however, new  
employees would be able to opt out of participating in the plan  
within ninety days of their enrollment date. For those employees  
enrolled in the plan, this measure would deduct one per cent of  
their gross monthly wages for deposit into a default investment  
option selected by the Plan's Board of Trustees.

Your Committee received testimony in support of this measure  
from the Department of Human Resources Development, the Board of  
Trustees of the State of Hawaii Deferred Compensation Plan, and  
the Hawaii County Department of Human Resources.

Your Committee finds that relying on retirement income from  
pension and Social Security benefits alone may not be sufficient  
to meet the needs of many state and county employees due to

SB3066 SD1 SSCR LRB 08-1613.doc



increasing inflation. Currently, less than half of state and county employees are enrolled in the State of Hawaii Deferred Compensation Plan, which is offered as a method to save money for retirement and to supplement pension and Social Security benefits. Your Committee finds that automatic enrollment in the State of Hawaii Deferred Compensation Plan would assist eligible state and county employees to take advantage of this benefit and would allow them to save more money for retirement.

Upon further consideration, your Committee has amended this measure by:

- (1) Requiring the State of Hawaii Deferred Compensation Plan administrator to conduct educational interviews with new employees to provide information about the Plan;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on this issue; and
- (3) Making technical nonsubstantive changes for the purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3066, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3066, S.D. 1, and be referred to the Committee on Ways and Means.


Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary and  
Labor,

  
BRIAN T. TANIGUCHI, Chair



The Senate  
 Twenty-Fourth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Judiciary and Labor**  
**JDL**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 3066	JDL, WAM	2-8-08		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TANIGUCHI, BRIAN T. (C)	✓			
HEE, Clayton (VC)				✓
GABBARD, Mike	✓			
KOKUBUN, Russell S.				✓
NISHIHARA, Clarence K.	✓			
SLOM, Sam	✓			
<b>TOTAL</b>	4	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original    Yellow    Pink    Goldenrod File with Committee Report    Clerk's Office    Drafting Agency    Committee File Copy				

\*Only one measure per Record of Votes