

The Twenty-Ninth Legislature  
Regular Session of 2017

THE SENATE  
Committee on Ways and Means  
Senator Jill N. Tokuda, Chair  
Senator Donovan M. Dela Cruz, Vice Chair  
State Capitol, Conference Room 211  
Tuesday, April 4, 2017; 9:45 a.m.

**LATE**

**STATEMENT OF THE ILWU LOCAL 142 ON S.C.R. 16, SD1  
Convening a Legislative Working Group to  
Investigate and Identify Strategies to  
Promote Greater Retirement Savings for  
Private Sector Employees in Hawaii**

The ILWU Local 142 **supports** the adoption of S.C.R. 16, SD1 to convene a legislative working group to investigate and identify strategies to promote greater retirement savings for private sector employees in Hawaii.

The resolution accurately states the problem—that private sector employees are far less likely to have employer-sponsored retirement plans, that retirees need savings to survive in their retirement years, that saving through payroll deduction will lead to more successful outcomes. While programs, like payroll deductions directly into savings accounts or for Individual Retirement Accounts, are already available for employed individuals to begin to save for their retirement, they have not been used for various reasons.

One reason that some workers do not save is their low wages. If someone is working at minimum wage, even if at more than one job, and that person has a family, it is unlikely with Hawaii's high cost of living for that worker to have much money remaining after paying for food, rent, and other necessities to save for their retirement. Wages need to be increased.

Another reason is that some workers think that Social Security income will be sufficient for them when they retire. That is, of course, far from the truth. These workers would benefit from education provided by their employers, community organizations, and the media about the importance of saving for retirement. This education could include encouraging low-wage workers to file for the federal Earned Income Tax Credit, which can help to fund their retirement savings account. A state Earned Income Tax Credit would be an additional source of income for that savings account.

The working group proposed by this resolution could suggest various ways to encourage retirement savings, including support from employers, particularly small ones. Financial services professionals may be encouraged to work with small employers to consider modest programs, including 401(k)-type products or IRA's, that will foster saving for retirement.

The ILWU urges adoption of S.C.R. 16, SD1. Thank you for allowing us the opportunity to share our views and concerns.