

STAND. COM. REP. NO.

375

Honolulu, Hawaii

February 13, 2019

RE: H.B. No. 1189  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 1189 entitled:

"A BILL FOR AN ACT RELATING TO RETIREMENT SAVINGS,"

begs leave to report as follows:

The purpose of this measure is to require the Legislative Reference Bureau (LRB) to:

- (1) Study the feasibility of implementing a Hawaii Retirement Savings Program for private sector employees;
- (2) Submit a report of its findings, recommendations, and any proposed legislation to the Legislature prior to the 2020 Regular Session; and
- (3) Appropriate funds for this purpose.

The Department of Budget and Finance, Policy Advisory Board for Elder Affairs, O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i, Chinatown Gateway Plaza Tenant Association, Hawaii Appleseed Center for Law & Economic Justice, Art Nelson Sailmaker/Ullman Sails Hawaii, Gochi Grill, AARP Hawai'i, Young Progressives Demanding Action-Hawai'i, Island Fender, and numerous individuals testified in support of this



measure. NAIFA Hawaii and American Council of Life Insurers opposed this measure. LRB provided comments on this measure.

Your Committee has amended this measure by:

- (1) Deleting the amount of the appropriation; and
- (2) Changing its effective date to January 1, 2050, to facilitate further discussion.

Should your Committee on Finance deliberate on this measure, your Committee respectfully requests that it consider appropriating \$150,000 for Fiscal Year 2019-2020 to carry out the purposes of this measure.

Your Committee notes the comments raised in the public hearing on this measure regarding the applicability of the federal Employee Retirement Income Security Act (ERISA) as it relates to establishing a state-run retirement savings program for private sector employees in Hawaii. Your Committee recognizes that Hawaii currently has a state plan, Hawaii's Prepaid Health Care Act of 1974, with an ERISA exemption. It should be noted that one of the components of the LRB study is the applicability of ERISA to the Hawaii Retirement Savings Program.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1189, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1189, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Labor & Public  
Employment,

  
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AARON LUNG JOHANSON, Chair



