

STAND. COM. REP. NO. 1550

Honolulu, Hawaii

MAR 21 , 2019

RE: S.B. No. 1374
S.D. 2
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 S.B. No. 1374, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII RETIREMENT SAVINGS PROGRAM,"

begs leave to report as follows:

The purpose of this measure is to establish the Hawaii Retirement Savings Program (Program), which provides private sector employees the opportunity to begin and grow retirement savings through payroll deduction.

Policy Advisory Board for Elder Affairs, Hawaii Appleseed Center for Law & Economic Justice, Chinatown Gateway Plaza Tenant Association, AARP Hawai'i, 3 Financial Group LLC, Burgers on Bishop, Gochi Grill, Art Nelson Sailmaker/Ullman Sails Hawaii, and many concerned individuals submitted testimony in support of this measure. Hawaii Bankers Association, American Council of Life Insurers, National Association of Insurance and Financial Advisors Hawaii, and a concerned individual submitted testimony in opposition. The Department of Budget and Finance and American Benefits Council submitted comments.

SB1374 HD1 HSCR LAB HMS 2019-3136



Your Committee has amended this measure by:

- (1) Clarifying that the Program does not require an employer that offers a qualified retirement plan to some or all of its employees, or has offered such a plan within the last five years, to offer its employees the opportunity to contribute to an account in the Program; and
- (2) Deleting language that would have prohibited all employers from cancelling their current retirement plan or program within five years from the date of the measure's effective date.

Your Committee notes that the amendments to this measure are intended to avoid preemption under the federal Employee Retirement Income Security Act of 1974 as it relates to establishing a state-managed retirement savings program for private sector employees in Hawaii.

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 S.B. No. 1374, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1374, S.D. 2, 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,



AARON LING JOHANSON, Chair



