

Honolulu, Hawaii

FEB 14 2019

RE: S.B. No. 1374  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committee on Labor, Culture and the Arts, to which was referred S.B. No. 1374 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish a Hawaii retirement savings program for private sector employees;
- (2) Establish the Hawaii retirement savings program administrative fund;
- (3) Require the Department of Budget and Finance to prepare an annual report detailing the Department's activities for the previous fiscal year to the Governor and Legislature; and
- (4) Appropriate funds.

Your Committee received testimony in support of this measure from Policy Advisory Board for Elder Affairs, Chinatown Gateway Plaza Tenant Association, Art Nelson Sailmaker/Ullman Sails Hawaii, Gochi Grill, Hawaii Retirement Savings Program, AARP Hawai'i, O'ahu County Committee on Legislative Priorities of the



Democratic Party of Hawai'i, and seven individuals. Your Committee received testimony in opposition to this measure from NAIFA Hawaii, Hawaii Bankers Association, and American Council of Life Insurers. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that there is an imminent retirement security crisis in the State, as many individuals do not have access to an employer-sponsored retirement plan. Your Committee further finds that individuals need a lifelong savings system that provides them with the opportunity to build their assets and attain future financial stability. Employees who are offered the opportunity to save through the employee's place of employment are significantly more likely to participate and make steady contributions to build retirement savings. Your Committee also finds that providing private sector employees with access to employer-sponsored retirement plans is a reliable way to promote savings needed for a secure retirement, improve economic mobility, and reduce wealth disparity. This measure establishes a Hawaii retirement savings program, which will ensure that in the future private sector employees will have the opportunity to contribute to a retirement plan, take charge of their financial futures, and live independently as they age. Your Committee notes that while the program will eventually require larger start-up and implementation costs, the appropriation in this measure will be used to hire staff to set up the program.


Your Committee has amended this measure by:

- (1) Prohibiting employer cancellation of existing retirement plans for five years after the effective date; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor, Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1374, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1374, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on  
behalf of the members of the  
Committee on Labor, Culture and  
the Arts,



BRIAN T. TANIGUCHI, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Labor, Culture and the Arts**  
**LCA**

Bill / Resolution No.:* <b>SB1374</b>	Committee Referral: <b>LCA, WAM</b>	Date: <b>2-7-19</b>		
<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)	✓			
IHARA, Jr., Les (VC)	✓			
CHANG, Stanley	✓			
GABBARD, Mike				✓
FEVELLA, Kurt	✓			
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>1</b>
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