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RODERICK K. BECKER
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DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY RODERICK K. BECKER
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 1374, S.D. 1

February 25, 2019
10:30 a.m.
Room 211

RELATING TO THE HAWAII RETIREMENT SAVINGS PROGRAM

Senate Bill (S.B.) No. 1374, S.D. 1, establishes the Hawaii Retirement Savings Program for private sector employees who do not have access to an employer-sponsored retirement program and sets operating and reporting requirements for the program. The bill also establishes the Hawaii Retirement Savings Program Administrative Fund and appropriates general funds and special funds in FY 20 for the program's administrative and operating expenses.

The Department of Budget and Finance (B&F) supports the intent of S.B. No. 1374, S.D. 1; however, we believe that, with a program of this importance and magnitude, it would be prudent to approach implementation in two steps. We recommend that:

- First, a working group be established to define workable program parameters and an implementation strategy.
- Then, after that groundwork has been completed, the Legislature would enact the retirement plan parameters and the plan be implemented.

This approach, we believe, will provide a process to make informed choices on program design and make the retirement program much more manageable to implement.

We would also strongly recommend that a five- to seven-member board (Illinois, California, Oregon and Connecticut) be established to oversee the retirement program rather than the Director of Finance. The board should represent small business interests, non-organized labor interests and the general public – these are the intended beneficiary groups of the program. B&F staff can support the board with professional assistance from professional consultants as necessary.

B&F would like to point out that two states, New Jersey and Washington, have implemented a different model to address the retirement security crisis. These states have adopted the marketplace approach to help small businesses fund retirement savings for their workforces.

Attached for the Committee's information are feasibility studies conducted by Illinois and Oregon. It is recommended that a comparable third-party evaluation be conducted here as part of the working group's efforts.

Thank you for your consideration of our comments.

Attachments

Senate
Committee on Ways and Means
Monday, February 25, 2019
10:30 p.m.
Conference Room 211

To: Chair Dela Cruz
RE: Testimony in Support of SB1374 SD1

Aloha Chair Dela Cruz and Members of the Committee,

My name is Jessica Wooley and I am the Advocacy Director for AARP Hawaii. AARP is a membership-based organization of people age fifty and over with about 150,000 members in Hawaii. AARP advocates for issues that matter to Hawaii families, including the high cost of long-term care, access to affordable, quality health care for all generations and serving as a reliable information source on issues critical to people over the age of fifty.

AARP Hawai'i strongly supports SB1374 SD1, which authorizes the department of Budget and Finance (B&F) to create a plan and set up the Hawai'i retirement savings program (Hawai'i Saves) for private-sector employees.

Today, the typical working household has only \$2,500 in retirement assets and those close to retirement have only \$14,500. **A secure retirement is out of reach for about half of Hawai'i's private-sector workers, especially those who work for small business.** Fewer and fewer people have a pension plan and many workers – about 216,000 people in Hawai'i -- have no access to a 401K, or other way to save for retirement at work via payroll deduction. This is critical because studies show that workers are 15 times more likely to save for their future if they can save through payroll deduction.

When people save for retirement, they not only help themselves, they reduce their reliance on government assistance which saves taxpayers money as well. When people save for retirement, they are less likely to rely on public assistance programs later in life. An AARP study estimates Hawai'i would save \$32.7 million on public assistance programs through 2032 if retirees saved enough to generate \$1,000 in extra income.

Ten states and localities have already passed legislation that improves workers' access to a retirement program, and 22 more are in progress to help their future retirees.

Hawai'i must join in this national effort to identify solutions to help future retirees be retirement ready. Every worker should have access to a retirement plan at work.

A Hawai'i Saves program, if fashioned similar to what other states have done, would be operated like a 529 college savings plans. The state would set up a plug and play retirement program that small business owners could use but don't have to run or pay for. It is completely voluntary for employees who choose how much they want to put away, if anything, and what they want to invest in. The program is intended to be self-sustaining, paid for via participant fees. The state and employers are not on the hook for gains or losses, as the program works just like a typical IRA. What the employee puts in is what they get out when they retire, plus or minus gains and losses.

You will hear some opposition from a few lobbyists from commercial financial institutions who advocate for a status quo approach to address a growing crisis in Hawai'i and across the Nation. First and foremost, the industry does not speak with one voice on this issue. Numerous institutions are supporting these programs across the country and many have bid for the work in states like Oregon and California. These opponents will call for more financial education, which is necessary but not sufficient to solve this problem. We have tried educational programs for years and yet access to retirement savings plans at work has not changed in four decades.

Some commercial, financial lobbyist opponents may even attempt to muddle the issue of federal law, the Employee Retirement Income Security Act (ERISA). They may argue that our state cannot take action. Yet, we know that Oregon Saves, the first state to set up a program like this, has been up and running for over a year-and-a-half and has no active legal challenge. In fact, as of February 1, 2019, 2,899 employers have registered to facilitate OregonSaves for their employees. Roughly, 63 thousand employees (72% of those eligible) have enrolled in the program. On average, employees continue to contribute about \$100 per month, and assets in the program now exceed \$12.5 million. The average savings rate is currently 5.60%.

It is time to use what we know are the best behavioral economic practices in the industry- access to payroll deduction and automatic enrollment – to solve this crisis. Hawai'i Saves will help people live independently as they age, which is vital for the



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facebook.com/AARPHawaii

future of our state. We cannot afford to take a wait-and-see approach any longer. With a statewide program, everyone will have the choice to save for retirement at work.

AARP Hawaii stands ready to work with the Legislature to see a Hawaii Saves program through.

Mahalo for providing the opportunity to testify in favor of SB1374 SD1.

SB-1374-SD-1

Submitted on: 2/22/2019 5:52:38 PM

Testimony for WAM on 2/25/2019 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
GARY SIMON	Testifying for Policy Advisory Board for Elder Affairs (PABEA)	Support	No

Comments:

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and Honorable Members of the Senate Committee on Ways and Means:

I am Gary Simon, Chairperson of the Policy Advisory Board for Elder Affairs (PABEA), which is an appointed board tasked with advising the Executive Office on Aging (EOA).

I am offering testimony on behalf of PABEA.

My testimony does not represent the views of the EOA but of PABEA.

PABEA wholeheartedly supports SB 1374 SD 1.

We encourage you to establish the Hawaii Retirement Savings Program as soon as possible.

Employees are 15 times more likely to save when they can do so at work.

The Hawaii Retirement Savings Program will make it easier for businesses to offer employees a way to save out of their regular paychecks, helping them take charge of their financial futures and live independently as they age.

It is their own money that they can take with them from job to job.

It is their own money that they can rely on in later years for a more secure future.

Contributions will be made with an automatic deduction from their paychecks.

Providing employees a simple way to save for retirement will mean fewer will need to rely on public assistance later in life, which will save taxpayer dollars.

We urge you to support SB 1374 SD 1, and we urge you to recommend its passage.

We thank you for seriously considering the Bill.

Very sincerely,

Gary Simon

Chairperson

Policy Advisory Board for Elder Affairs (PABEA)



CGPTA
Chinatown Gateway Plaza
Tenant Association
Since 2006

To: Committee on Ways and Means (WAM)
From: Chinatown Gateway Plaza Tenant Association (CGPTA)
Date: Monday, February 25, 2019, 10:25 AM
Place: Conference Room 211, State Capitol, 415 South Beretania Street

Re: Strong Support for SB1374 SD1, Relating to the Hawaii Retirement Savings Program.

Aloha e Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee,

My name is Steve Lohse, I'm a resident of Chinatown Gateway Plaza (CGP), a 200-unit, city-owned, affordable housing property in Chinatown. I'm also chair of the CGP Tenant Association (CGPTA), organized by CGP residents in 2006 to keep ourselves informed and engaged in matters of concern to our community. **On behalf of the CGPTA, thank you for this opportunity to submit written testimony in Strong Support for SB1374 SD1.**

We have a number of younger residents in our affordable housing community who will benefit from this opportunity to save more for retirement, as well as a number of older residents who wish they'd had this opportunity, including myself.

Hawaii Saves is a good idea that is overdue in Hawaii. If we have a choice between the power of compound interest for workers without existing savings plans and the suffering of retired workers without savings, isn't this choice obvious? Please consider the following:

- 70% of small business owners surveyed support a privately managed savings program.
- Similar existing programs demonstrate that Hawaii Saves won't cost taxpayers because employees themselves make the deductions for their own retirement accounts.
- In fact, Hawaii Saves could save Hawaii taxpayers over \$30 million in public assistance within 15 years if retirees save a mere extra \$1000/year.

Hawaii Saves is the right program now for Hawaii and for Hawaii's private-sector workforce without employer-sponsored IRAs. **Please, pass SB1374 SD1.** Thank you!

Aloha no,
Steve Lohse, Chair
Chinatown Gateway Plaza Tenant Association (CGPTA)
CGP.Tenant.Association@gmail.com

Senate Ways and Means Committee

Monday, February 25, 2019

10:30 a.m.

Conference Room 211

Re: Strong Support for SB1374 SD1 (Hawaii Retirement Savings Program)

Dear Chair Dela Cruz & Members of the Committee:

My name is Sylvia K.S. Ching and I strongly support SB 1374 SD1 (Hawaii Retirement Savings Program)

Hawaii is experiencing a retirement savings crisis. Half of Hawaii's private sector employees don't have access to retirement savings through work. People with access to work place retirement savings are 15 times more likely to save for retirement. 70 percent of Hawaii small business surveyed support this idea.

A Retirement Savings Program can save taxpayers \$32.7 million in public assistance programs in less than 15 years if retirees save an extra \$1,000 a year.

I worked for the State of Hawaii government and am grateful for their savings plans I had access to through payroll deduction. I saved enough money to be self sufficient and not rely on public assistance programs now and in the future. Prior to working for the government I worked for small business and non profits which didn't offer such savings plans. If I were offered such plans I would have saved a lot more. I want all employees to have access to employer provided savings plans.

Please pass and support SB 1374 SD1 for the good of employees, business, and the taxpayers.

Thank you.

Sylvia Ching

sching35@gmail.com



Aloha Chair Dela Cruz, Vice Chair Agaran and members of the Ways and Means Committee,

On behalf of the 660+ registered members of the Young Progressives Demanding Action – Hawai‘i, I would like to voice my strong support for SB 1374, which lays the groundwork to implement a Hawai‘i retirement savings program similar to the OregonSaves program.

Oregon was the first to start a state-facilitated retirement savings program to help private-sector workers and small businesses with an easy way to save at work. From July 2017 to Dec. 2018, 22,000 Oregon workers have saved nearly \$11 million. The program is working and other states are following. California’s CalSavers and Illinois’ Secure Choice are in the pilot phase and at least seven other states should roll out their programs soon.

Hawai‘i needs to catch this wave and join other states in helping workers and small business and we need to move quickly. The time to act is sooner rather than later. The alternative – doing nothing – means more people will age into poverty.

Studies consistently show that people are 15 times more likely to save if it comes out of their paychecks and 20 times more likely to save if they are auto-enrolled and given the option to opt out. But about half of Hawai‘i’s private-sector workers can’t save at work because their employers don’t offer 401ks or other payroll deduction savings plans.

Contrary to what some might have you believe, millennials understand the importance of saving early for their retirement. We currently witness the distress of many elderly citizens who struggle to survive on social security payments, and we also recognize the threats to the continuation of these benefits in the long run.

Understanding the need to save for retirement, however, is just the starting point, and government action is needed to help private-sector workers to participate in a valid and sustainable retirement savings program.

Young people will benefit most from having access to savings because of compounding. A 20-year-old who starts with \$100 and saves \$100 a month (the average amount OregonSaves workers contribute) for the rest of his or her working life will have over \$1 million at age 67, assuming a 10 percent annual return. And that doesn't count additional contributions you might make as you make more money.

But all generations will benefit from starting to save and getting into the savings habit. And fewer people retiring into poverty means we will all pay less taxes for social services programs that kupuna living on just Social Security will need.

Hawai'i must take action now and join in the movement to find ways to help our future retirees to be retirement-ready.

Please help us to protect our future, and pass this bill.

Mahalo,

Will Caron
Co-Chair

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Presentation to The
Committee on Consumer Protection & Commerce
February 25, 2019 at 10:30 P.M.
State Capitol Conference Room 211

Testimony in opposition to Senate Bill 1374, SD 1

TO: The Honorable Donovan M. Dela Cruz, Chair, Committee on Ways and Means
The Honorable Gilbert S.C. Keith-Agaran., Vice Chair Committee on Ways and Means
Members of the Committee

My name is Neal K. Okabayashi, the Executive Director of the Hawaii Bankers Association (HBA). HBA is the trade association representing eleven banks, including eight with headquarters in Hawai'i.

SB 1374, SD 1 is a worthwhile concept in that it seeks to offer a retirement plan for employees whose employer does not currently offer a qualified retirement plan. It should be noted that for such employees there are presently alternatives to the lack of a qualified retirement, such as an IRA.

HBA is concerned that a state retirement savings program as envisioned under this measure offers the potential that the State will intrude into the private sector, offering a low fee for the program as required in section --2(17) and thus have a competitive edge to banks and other entities that currently offer retirement programs. In short, an employer may terminate a qualified retirement plan if the state retirement savings program offers a cost lower than available in the private sector and just offer its employees the state program. It is not the role of the state to engage in competitive activity with the private sector.

Thus, it is prudent that the program be prohibited from enrolling employers who have terminated its qualified retirement program within the three years preceding the anticipated program entry unless the employer has entered into bankruptcy or otherwise suffered adverse economic condition from reasons not within the employer's control.

We do appreciate the Committee on Labor, Culture and Arts recognized the problem and amended the bill to ameliorate the concern. While we appreciate the SD 1, we would prefer the following language:

Section --2(2) should be amended to read as follows:

(2) Require an employer to offer its employees the opportunity to contribute to an account in the program through payroll deductions unless the employer offers a qualified retirement plan, including but not limited to a plan qualified under section 401(a), section 401(k), section 403(a), section 403(b), section 408(k), section 408(p), or section 457(b) of the Internal Revenue Code of 1986, as amended, or the employer had offered within the previous three years a qualified retirement plan unless the employer terminated the qualified retirement plan due to bankruptcy or adverse economic condition not within the employer's control;

The reason for the proposed amendment is that as presently drafted, in 2024, an employer will be able to terminate its qualified retirement plan and take advantage of the low fees in the State program. Thus, we propose the amendment drafted herein.

Thank you for the opportunity to submit this testimony on SB 1374, SD 1 and for the reasons set forth herein, we oppose this bill. Please let us know if we can provide further information.

Neal K. Okabayashi
524-5161



Art Nelson Sailmaker/Ullman Sails Hawaii

419 Waiakamilo Road, Unit 2-D, Honolulu, HI 96817

808-593-9958 808-591-9056 fax

info@artnelsonsailmaker.com

February 22, 2019

Testimony on Senate Bill 1374

My name is Larry Stenek and I am the owner of Art Nelson Sailmaker/Ullman Sails Hawaii and I am writing in strong support of Senate Bill 1374.

We need to make it easy for workers to save for retirement. Payroll savings is the easiest way to save. But it's not easy for small business owners like myself. In fact, it's expensive and time-consuming for a business owner to set up a payroll savings plan. Our company is small. We don't have a human resources department and I don't have the time nor money to research all of the plans that are out there, nor do I have the time and money to do everything needed to keep the program going. All my time and energy and my worker's time and energy is focused on making the best sails and rigging possible and delivering quality products to our customers. Having a state-facilitated savings plan, that we could implement into our payroll system easily, at little or no cost, would give my workers a common-sense way to save at work and make us more competitive as an employer.

Too many people in Hawaii are unprepared for retirement and have little or no savings. One of the reasons for that is the lack of access to payroll savings plans. About half of private sector workers, according to AARP, are not able to save easily at work.

What will happen to them if they get sick or can't work anymore? It's likely that we as taxpayers will have to help them with rent, food and medical care.

To me, it's a no brainer. We have to do something to make it easier for people to save or workers won't save and we will all pay for that down the line. The longer we wait to create a program like Hawai'i Saves, the less time there is for people to save and that will mean a bigger bill for taxpayers in the future.

Sincerely,

Larry Stenek

Art Nelson Sailmaker/Ullman Sails

419 Waiakamilo Road #2d

Honolulu, HI 96817

(808)593-9958

Senate Committee on Labor, Culture and the Arts

Thursday, February 7, 2019

3:30 a.m.

Conference Room 224

RE: Strong support for SB1374

Aloha Chair Taniguchi and Members of the Committee,

,My name is Linda Dorset , an aging citizen of Wailuku, Maui. Thank you for the opportunity to submit written testimony in SUPPORT of SB1374 (Hawaii Saves) and encourage you to allow the program to begin a.s.a.p.

It's about time for Hawai`i Saves. I myself wish I had the opportunity to save more for retirement when I first started to work in the private sector. An automatic deduction makes so much sense. I was fortunate to have an employer-sponsored retirement plan which helped me build a savings to supplements my social security. Unfortunately, I started late and it may not be enough.

If law, Hawaii Saves would lay the foundation so private-sector employees (without an existing plan) could automatically deduct earnings to invest in an IRA. For anyone who has witnessed the magical growth of compounding interest (or the suffering of a retired worker living in poverty), you know it is a tragedy that our hard working employees have waited so long for a tool like Hawaii Saves. When individuals save for retirement they are less likely to rely on public assistance programs later in life. These fact sheets show the fiscal savings to state governments that could result from lower-income retirees having saved through Work and Save programs during their working years. According to research by AARP Public Policy Institute Hawaii Could Save \$32.7 Million by Helping People Save for Their Own Retirement; if between 2018 and 2032 lower-income retirees save enough to increase their retirement income by \$1,000 more per year.

Seventy percent of Hawai`i small business owners surveyed support a privately-managed, retirement savings program. Other states have begun their own retirement saving programs and demonstrate that it won't cost the State a dime to set up Hawai`i Saves because the employees themselves will make the deductions for their own retirement accounts (IRAs similar to the educational 529 accounts).

Please pass HB1189 and make saving, and retirement, easier, if not easy, for workers in the private sector who do not have employer-sponsored IRAs.

Thank you for your consideration

Chair Donovan Dela Cruz
Senate Committee on Ways and Means

Monday, February 25, 2019

TESTIMONY IN SUPPORT OF SB 1374 SD1

Dear Chairman Dela Cruz and Members of the Committee

My name is Blyth Kozuki, and I am writing in strong support of SB1374 SD1. As a federal retiree I enjoy the benefits of a traditional retirement program. However these types of programs have disappeared and replacement programs are now heavily dependent on savings for retirement. And in the small business sector these programs are mostly non-existent. So I foresee a looming crisis for future retirees.

Because of this concern I talk about planning for retirement to the younger generations a lot. Retirement for them is a long way off so their eyes glaze over while they smile politely. I get it that their concerns are focused on the immediate but I emphasize the idea of compounding interest which grows their retirement savings exponentially. They like that idea but are clueless as to how to start. The Hawaii Saves program gives them that start.

In much the way my traditional retirement operated, the beauty of the Hawaii Saves program is being automatically enrolled in a payroll deduction plan. This makes it easier to save but they can opt out when they want. It is a portable program that they control as they move through the employment world. Although retirement has already changed for future generations it is my hope that future retirees will not retire impoverished and reliant on government resources.

Thank you for considering my testimony.

Sincerely,

Blyth Kozuki
3721 Kanaina Ave #222
Honolulu, Hawaii 96815

SB-1374-SD-1

Submitted on: 2/23/2019 11:26:14 PM

Testimony for WAM on 2/25/2019 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Francis Nakamoto	Individual	Support	No

Comments:

Chair Donovan Dela Cruz, Vice Chair Gilbert Keith-Agaran and Members of the Committee on Ways and Means.

My name is Francis M. Nakamoto. I support SB1374.

I submit as my testimony my statement relating to Hawai'i Save published in the Honolulu Staradvertiser on February 17, 2019.

ISLAND VOICES: "Prepare for Retirement with Hawai'i Saves" (2/17/19)

This year, the Hawaii State Legislature is considering bills which will dramatically impact the lives of nearly every person in the State. The legislation would create a sustainable, public-private retirement savings program for 216,000 Hawai'i private-sector employees, who do not have access to payroll savings for their retirement, the easiest and most effective way to save.

About half of all employees in Hawai'i's private sector, mostly in small and medium sized companies, are heading for an uncertain future because they do not have an easy way to save at work. Without retirement savings to supplement Social Security, these hard-working Hawai'i residents will age into poverty and are in real danger of falling into a life of financial dependence on family and government, if not homelessness.

SB1374, sponsored by Senator Brian Taniguchi and HB1189, sponsored by Representative Aaron Johanson, would take the first steps to create a Hawaii Saves payroll saving program for 216,000 workers in the private sector who are not currently able to save for retirement at work.

The Employee Benefit Research Institute found that workers are 15 times more likely to save if the money is taken from their paychecks, before they get a chance to spend it. They are 20 times more likely to save if they are auto-enrolled in a program with the option to opt out. The easier it is to save, the more people do it.

Several states have created or are creating state-facilitated retirement savings programs, including OregonSaves, CalSavers in California and Illinois Secure Choice. In Oregon, the first state to have a working state-wide retirement savings program for

private-sector workers, about 72% of eligible employees in 2,899 companies have saved \$12.5 million between July 2017 and Feb. 1, 2019. The average savings rate is 5.6% of their paycheck or about \$100 a month. These workers didn't have an easy way to save before OregonSaves and now they are taking full advantage of the opportunity.

It's not only workers who like the program. Small businesses want it. Most care about their employees and want to offer savings programs to be competitive. A recent AARP survey revealed that about 7 out of 10 Hawai'i small business owners support giving them a Hawaii Saves retirement savings option and 8 out ten believe state lawmakers should support it.

About 2/3rds of small businesses do not offer retirement savings programs, the survey found. The reasons – small businesses say it's too expensive, complicated and time consuming to do so.

The Hawaii Saves program could save taxpayers an estimated \$160 million in federal and state public assistance programs, with the state's share of the saving estimated at \$32.7 million between 2018 and 2032 if workers save enough to generate an additional \$1,000 a year in extra retirement income.

The Hawaii Saves program is not a government handout. It is about giving workers an easy way to save their own money for retirement. The program will be setup by the state, as in Oregon, and will be managed and investments made by private, reputable financial services companies in a public-private partnership similar to college 529 savings plans.

But now, as the Legislature seeks to find a responsible solution, lobbyists for big insurance companies, financial institutions and financial planners oppose this legislation and now insist that workers without plans should use their products. These opponents have been unable, unwilling or disinterested in creating and marketing savings programs that small businesses can afford and easily implement.

Unfortunately, the fact that fully half of Hawai'i's private sector workers have no retirement savings offered through their employers prove existing retirement savings products are not working. We cannot accept the status quo any longer. There is a cost to workers, society, families and taxpayers of ignoring this impending crisis when thousands are in danger of retiring broke or are forced to work because they cannot afford to retire.

To the private financial sector which failed this huge segment of working people and which now oppose any remedy, it is time for the industry to offer its expertise to get a Hawaii Saves program started and operating....or get out of the way.

Francis M. Nakamoto

Re: SB1023 Related to Aging February 25, 2019 10:00 Rm. 211

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and committee members

I am a senior citizen and a resident of House District 19 and Senate District 9. I am a member of AARP, Kokua Council, the Hawaii Alliance for Retired Americans and serve on the PABEA Legislative Committee.

I am writing in strong support of SB1023 to fully fund the Kupuna Care program. Since 1999, this program has been successful through allowing Kupuna to remain in their own homes and not be forced into nursing homes, which cost upwards of \$150,000 per year. Kupuna are provided services such as homemaker and chore, Adult Day Care, home-delivered meals and case management. Since nursing home costs are often borne by taxpayers through Medicaid, Kupuna Care is definitely cost-effective.

Please approve SB1023 to provide full funding of Kupuna Care at \$9M. This amount has not increased for at least 5 years, while the number of Kupuna is the fastest growing segment of our society.

Thank you for the opportunity to testify.

Barbara J. Service MSW

**TESTIMONEY FOR SB 1374, HD1
RELATING TO THE HAWAII RETIREMENT SAVINGS PROGRAM**

To: Senator Donovan M. Dela Cruz, Chair,
Senator Gilbert S. C. Keith-Agaran, Vice Chair
Committee on Ways and Means

RE: Support for SB 1374, HD1, The Hawaii Retirement Savings Program

**Hearing Date: Thursday, February 25, 2019, 10:30 a.m.
State Capitol, Conference Room 224**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

My name is Anna Filler and I am submitting my testimony in support of SB 1374, HD1, a thoughtfully drafted bill authorizing the Department of Budget and Finance to create a plan and set up the Hawaii Retirement Savings Program (Hawaii Saves) for private-sector employees.

This program is based on the Oregon Saves program that provides a low-cost retirement savings option for employees to save and take control of their future. It would be easy for businesses to use...payroll deduction and no costs or risk to a business, no employer fees, no employer match and no fiduciary responsibility.

Thank you very much for your support of SB 1374, HD1, which gives employees in the small business sector access to a retirement plan at work. .

Anna Filler
Email: afiller@twc.com
Kaka'ako, District 12

SB-1374-SD-1

Submitted on: 2/23/2019 6:08:14 PM

Testimony for WAM on 2/25/2019 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
dain retzlaff	Individual	Support	No

Comments:

Please allow those without the option of a 401k or similar option to save tax free more than an IRA that limits them \$6000 annually. Thank you

SB-1374-SD-1

Submitted on: 2/23/2019 6:08:53 PM

Testimony for WAM on 2/25/2019 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lisa Vollbrecht	Individual	Support	No

Comments:

As an employee of a small business for nearly five years, I have not had access to any 401K savings program. The fees associated with a 401K program have made my employer unable to establish such a retirement savings track. My current option for retirement savings is an IRA, which now caps at \$6000/yr. This is not sufficient to build a satisfactory retirement savings.

I strongly support this bill, and the opportunity to have greater peace of mind towards retirement.

Thank you!

February 23, 2019

To : House Committee on Ways and Means

RE: SB1374,SD1 – Relating to Retirement Savings

Hearing: February 25, 2019

Most Honorable Chair Donovan M. Dela Cruz and Committee Members:

I support measure **SB1374, SD1** to provide funding for a legislative study of a retirement savings program for the State of Hawaii private-sector employees not currently covered by an existing program for retirement savings.

Approximately 50% of Hawaii's work force is composed of businesses with 100 employees or less... *the owners and their employees are your constituents. Currently they have no easy way to save for retirement until the Hawaii passes a Retirement Savings Plan.*

Ten other states are in the process of similar legislation, and the 'OregonSaves' Program has had a successful start. Hawaii has the ability to learn from the ideas and successes of other state studies, providing the needed impetus for the education, marketing and implementation of this bill.

Please vote 'Yes' on this measure. Hawaii Saves will provide a mechanism for employers to help their employees save for retirement in an efficient and responsible way.

Respectfully submitted,

Christine Olah
Resident of Honolulu

SB-1374-SD-1

Submitted on: 2/22/2019 11:34:47 PM

Testimony for WAM on 2/25/2019 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Carl Takamura	Individual	Support	No

Comments:

I strongly support SB1374,SD1 as it is critically important for our state to provide Hawaii's small businesses and employees with an easy way to save through payroll deductions. Without adequate savings, too many Hawaii workers will not have the resources they will need to retire and enjoy life as they age.

Aloha Esteemed Members of WAM,

All studies show that almost no one in Hawaii has enough saved up for retirement. Studies also show that if employees are enrolled in a retirement savings program, they stick with it, and retire with far more money.

HawaiiSaves will save the State money, because these people will not need to be on SSI and Medicaid.

I write in STRONG SUPPORT OF SB1374.

MAHALO,

Mark Koppel
31-392 Lepoloa Rd.
Ninole