
A BILL FOR AN ACT

RELATING TO RETIREMENT SAVINGS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that there is an imminent
2 retirement security crisis in the State, as many individuals do
3 not have access to an employer-sponsored retirement plan.
4 Individuals without a retirement plan are at significant risk of
5 not having enough retirement income to meet basic expenses
6 during retirement. A retirement savings plan can help employees
7 achieve financial security, improve economic mobility, and
8 reduce wealth disparity.

9 In 2017, Oregon was the first state to implement a
10 retirement savings plan that covers private sector workers who
11 do not otherwise have access to a savings plan provided by their
12 employer. Other states have adopted similar programs, including
13 California, Connecticut, Illinois, Maryland, Massachusetts, New
14 Jersey, and Vermont.

15 The legislature also finds that individuals need a lifelong
16 savings system that provides them with the opportunity to build
17 their assets and attain future financial stability. Providing



1 private sector employees with access to employer-sponsored
2 retirement plans is a reliable way to promote savings needed for
3 a secure retirement, improve employees' financial security, and
4 reduce wealth disparity in society.

5 The legislature further finds that approximately fifty per
6 cent of the State's private sector employees work for an
7 employer that does not offer a retirement plan or are not
8 eligible for the plan offered. The lack of opportunity to
9 participate in an employer-provided retirement plan spans all
10 levels of education and earnings. An employee who is offered
11 the opportunity to save through the employee's place of
12 employment is significantly more likely to participate and make
13 steady contributions to build retirement savings.

14 The purpose of this Act is to establish a retirement
15 savings task force to secure a consultant to:

- 16 (1) Assess the feasibility of a Hawaii retirement savings
17 program;
- 18 (2) Research the implications of the federal SECURE Act,
19 enacted on December 20, 2019;
- 20 (3) Draft an implementation plan for a retirement savings
21 program; and



1 (4) Submit to the legislature a report of findings and
2 recommendations, including any proposed legislation,
3 to implement the plan.

4 SECTION 2. (a) There is established a retirement savings
5 task force to secure a consultant to:

6 (1) Assess the feasibility of a Hawaii retirement savings
7 program;

8 (2) Research the implications of the federal SECURE Act,
9 enacted on December 20, 2019;

10 (3) Draft an implementation plan for a retirement savings
11 program; and

12 (4) Submit to the legislature a report of findings and
13 recommendations, including any proposed legislation,
14 to implement the plan.

15 (b) The task force shall be composed of the following
16 members:

17 (1) The director of finance, or the director's designee;

18 (2) The director of labor and industrial relations, or the
19 director's designee;



- 1 (3) One individual to represent employees, who shall be
2 selected by the speaker of the house of
3 representatives;
- 4 (4) One individual to represent small businesses, who
5 shall be selected by the president of the senate;
- 6 (5) An attorney with professional experience in pension
7 plans, who shall be selected jointly by the speaker of
8 the house of representatives and the president of the
9 senate;
- 10 (6) A third-party plan administrator, who shall be
11 selected jointly by the speaker of the house of
12 representatives and the president of the senate;
- 13 (7) A fiduciary investment adviser, who shall be selected
14 jointly by the speaker of the house of representatives
15 and the president of the senate;
- 16 (8) A fee-for-service investment adviser, who shall be
17 selected jointly by the speaker of the house of
18 representatives and the president of the senate; and
- 19 (9) A representative of retirees, who shall be selected
20 jointly by the speaker of the house of representatives
21 and the president of the senate.



1 (c) The task force may issue a request for proposals for a
2 third party to conduct the activities identified in section 2(a)
3 of this Act. The contracting of services pursuant to this Act
4 shall be exempt from chapter 103D, Hawaii Revised Statutes.

5 (d) The task force shall submit to the legislature a
6 report of its findings and recommendations, including any
7 proposed legislation, no later than forty days prior to the
8 convening of the regular session of 2021.

9 (e) The task force shall cease to exist on June 30, 2021.

10 SECTION 3. There is appropriated out of the general
11 revenues of the State of Hawaii the sum of \$500,000 or so much
12 thereof as may be necessary for fiscal year 2020-2021 to retain
13 a consultant to conduct the activities identified in section
14 2(a) of this Act and pay for associated expenses, including
15 \$150,000 for one full-time equivalent (1.0 FTE) position to
16 manage the retirement savings program.

17 The sum appropriated shall be expended by the department of
18 budget and finance for the purposes of this Act.



1 SECTION 4. This Act shall take effect on July 1, 2020.

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JAN 21 2020



H.B. NO. 2251

Report Title:

Retirement Savings; Hawaii Retirement Savings Program; Task Force; Consultant; Appropriation

Description:

Establishes the Retirement Savings Task Force to secure a consultant to: assess the feasibility of a Hawaii Retirement Savings Program; research the implications of the enactment of the federal SECURE Act; draft an implementation plan for the Retirement Savings Program; and report to the Legislature. Makes an appropriation.

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