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# A BILL FOR AN ACT

RELATING TO THE HAWAII RETIREMENT SAVINGS PROGRAM.

**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 establishing a Hawaii  
17 retirement savings program and the viability of  
18 current state retirement savings programs in other  
19 states;
- 20 (2) Determine the feasibility of joining a multi-state,  
21 state-facilitated retirement savings program;



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

3 (4) Draft an implementation plan for a retirement savings  
4 program; provided that the task force determines that  
5 a retirement savings program is feasible; and

6 (5) Submit to the legislature a report of findings and  
7 recommendations, including any proposed legislation,  
8 to implement the plan.

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

11 (1) Assess the feasibility of a Hawaii retirement savings  
12 program;

13 (2) Assess the viability of current state retirement  
14 savings programs in other states;

15 (3) Determine the feasibility of joining a multi-state,  
16 state-facilitated retirement savings program;

17 (4) Research the implications of the federal SECURE Act,  
18 enacted on December 20, 2019;

19 (5) Draft an implementation plan for a retirement savings  
20 program; provided that the task force determines that  
21 a retirement savings program is feasible; and



- 1 (6) Submit to the legislature a report of the findings and  
2 recommendations, including any proposed legislation,  
3 to implement the plan.
- 4 (b) The task force shall comprise the following members:
- 5 (1) The director of finance, or the director's designee;  
6 (2) The director of labor and industrial relations, or the  
7 director's designee;
- 8 (3) One individual to represent employees, who shall be  
9 selected by the speaker of the house of  
10 representatives;
- 11 (4) One individual to represent small businesses, who  
12 shall be selected by the president of the senate;  
13 provided that for purposes of this paragraph, "small  
14 business" means an independently owned business with  
15 less than fifty employees;
- 16 (5) A third-party plan administrator who understands the  
17 operation of employer-sponsored retirement plans, who  
18 shall be selected by the speaker of the house of  
19 representatives;



- 1           (6) An attorney with professional experience in qualified  
2           retirement plans, who shall be selected by the  
3           president of the senate;
- 4           (7) An investment professional with extensive experience  
5           in assisting individuals in saving for retirement, who  
6           shall be selected by the speaker of the house of  
7           representatives;
- 8           (8) A representative of retirees, who shall be selected by  
9           the speaker of the house of representatives; and
- 10          (9) A representative of business who offers a 401(k) plan,  
11          individual retirement account plan, or other similar  
12          retirement plan, who shall be selected by the  
13          president of the senate.
- 14          (c) The task force may issue a request for proposals for a  
15          third party to conduct the activities identified in section 2(a)  
16          of this Act. The contracting of services pursuant to this Act  
17          shall be exempt from chapter 103D, Hawaii Revised Statutes.
- 18          (d) No task force member selected pursuant to sections  
19          2(b)(5), (6), (7), (8), (9), or (11), nor any entity for which  
20          they are employed, shall bid on any potential contract arising  
21          from this Act.



1 (e) The task force shall submit to the legislature a  
2 report of its findings and recommendations, including any  
3 proposed legislation, no later than forty days prior to the  
4 convening of the regular session of 2021.

5 (f) The task force shall cease to exist on June 30, 2021.

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

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

16 SECTION 4. This Act shall take effect on January 1, 2050.



**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; assess the viability of current state retirement savings programs in other states; determine the feasibility of joining a multi-state, state-facilitated retirement savings program; research the implications of the federal SECURE Act; draft an implementation plan for the retirement savings program; and submit a report to the legislature. Appropriates funds. Sunsets the task force on 6/30/2021. Effective 1/1/2050. (HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

