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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 economic security, improve economic mobility, and reduce  
8 wealth disparity.

9           The legislature further finds that individuals need a  
10 lifelong savings strategy that provides them with the  
11 opportunity to build their assets and attain financial stability  
12 for the long run. Access by private sector employees to  
13 employer-sponsored retirement plans provides a reliable way to  
14 accumulate savings needed for a secure retirement, but many  
15 small businesses are unable to provide a mechanism for their  
16 employees to invest.



1           The legislature further finds that approximately fifty per  
2 cent of the State's private sector employees work for an  
3 employer that does not offer a retirement plan or are not  
4 eligible for the plan offered. The lack of opportunity to  
5 participate in an employer-provided retirement plan spans all  
6 levels of education and earnings. Employees of Hawaii  
7 businesses having fewer than one hundred employees are much less  
8 likely to have access to a retirement plan than employees of  
9 larger businesses. Employees who are offered the opportunity to  
10 save through the employee's place of employment are  
11 significantly more likely to participate and make steady  
12 contributions to build retirement savings.

13           The purpose of this Act is to establish a task force that  
14 will:

- 15           (1) Select a research entity to draft an implementation  
16           plan for the Hawaii retirement savings program for  
17           private sector employees, using information from other  
18           state experiences and educational institutions with  
19           expertise on existing programs; and

1           (2) Report to the legislature with its findings and  
2           proposals, including proposed legislation, to  
3           authorize implementation of the plan by January 2021.

4           SECTION 2. (a) There is established the Hawaii retirement  
5 security task force to create a Hawaii retirement savings  
6 program for private sector employees who are not currently  
7 covered by an existing employer-sponsored retirement plan.

8           (b) The task force shall select a research entity to draft  
9 an implementation plan, with a timeline, for Hawaii retirement  
10 savings programs for private sector employees.

11          (c) The task force shall consist of the following members:

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

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

15          (3) One person appointed by the speaker of the house of  
16          representatives to represent the interests of  
17          employees;

18          (4) One person appointed by the speaker of the house of  
19          representatives to represent the interests of consumer  
20          groups;



1           (5) One person appointed by the president of the senate  
2           who has experience in the financial services industry,  
3           or a similar field;

4           (6) One person appointed by the president of the senate to  
5           represent retirees; and

6           (7) One person appointed by the governor to represent the  
7           interests of small business.

8           (d) The task force shall report to the legislature its  
9           progress, including any proposed legislation, no later than  
10          forty days prior to the convening of the regular session of  
11          2021.

12          (e) The task force may issue a request for proposals for a  
13          third party to conduct the analysis as described above. The  
14          contracting services under this Act shall be exempt from chapter  
15          103D, Hawaii Revised Statutes.

16          (f) The task force shall dissolve on March 15, 2021. Any  
17          vacancy on the task force shall be filled by the same appointing  
18          authority who appointed the vacating member.

19          (g) The task force shall select one of its members to  
20          serve as the chair of the task force during their first meeting.



1 (h) The department of budget and finance shall provide  
2 staff support to the task force.

3 SECTION 3. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$ or so much  
5 thereof as may be necessary for fiscal year 2020-2021 for the  
6 purposes of this Act.

7 SECTION 4. The sum appropriated shall be expended by the  
8 department of budget and finance for the purposes of this Act.

9 SECTION 5. This Act shall take effect on July 1, 2050.



**Report Title:**

Hawaii Retirement Savings Program; Retirement; Task Force;  
Appropriation

**Description:**

Establishes the Hawaii Retirement Savings Program task force, tasked with evaluating a retirement savings plan for non-government employees and reports findings and recommendations to the Legislature. Appropriates funds. Task force dissolves on 3/15/2021. Effective 7/1/2050. (SD2)

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