

STAND. COM. REP. NO. 409

Honolulu, Hawaii

FEB 15 2019

RE: S.B. No. 1233
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. 1233 entitled:

"A BILL FOR AN ACT RELATING TO ADDING THE ROTH OPTION FOR THE DEFERRED COMPENSATION PLAN,"

begs leave to report as follows:

The purpose and intent of this measure is to allow participants in the state deferred compensation plan to make pre-tax and post-tax contributions.

Your Committee received testimony in support of this measure from the Department of Human Resources Development.

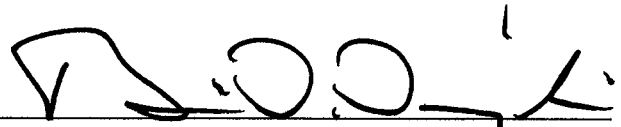
Your Committee finds that on January 1, 2011, the federal Small Business Jobs Act of 2010 took effect, which expanded the availability of Roth contribution provisions to deferred government compensation plans under section 457(b) of the Internal Revenue Code. Your Committee further finds that while federal law permits Roth contributions to deferred compensation plans, such contributions are prohibited under state law in Hawaii. This measure allows participants in a deferred compensation plan under Hawaii law to choose whether their deferred compensation amounts are deferred as a traditional contribution under section 457(b) of the Internal Revenue Code, as a Roth contribution, or divided between the two.



Your Committee has amended this measure by making technical, nonsubstantive amendments 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. 1233, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1233, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.

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


BRIAN T. TANIGUCHI, Chair



