

Honolulu, Hawaii

MAR 13 , 2020

RE: S.B. No. 2490
S.D. 2
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred S.B. No. 2490, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII RETIREMENT SAVINGS PROGRAM,"

begs leave to report as follows:

The purpose of this measure is to improve retirement savings opportunities in the State by establishing, and appropriating funds for, the Hawaii Retirement Security Task Force to:

- (1) Create a Hawaii retirement savings program for private sector employees who are not currently covered by an existing employer-sponsored retirement plan; and
- (2) Report to the Legislature on its progress, including any proposed legislation, no later than forty days prior to the convening of the Regular Session of 2021.

Your Committee received testimony in support of this measure from Young Progressives Demanding Action; Hawaii Family Caregiver Coalition; AARP Hawaii; Maui Chamber of Commerce; Hawaiian Cool Water; 3 Financial Group LLC; Gochi Grill; Priam's Automotive Service & Repair, Inc.; National Conference on Public Employee Retirement Systems; Art Nelson Sailmaker/Ullman Sails; Burgers on



Bishop; Craigsides Travel; and fifteen individuals. Your Committee received testimony in opposition to this measure from NAIIFA Hawaii and American Council of Life Insurers. Your Committee received comments on this measure from the Department of Budget and Finance and State Procurement Office.

According to a 2018 study by the U.S. Bureau of Labor Statistics, nearly 40,000,000 private-sector employees do not have access to a retirement plan through their employer. Many working Americans struggle when it comes to saving money for their short-term and long-term goals. Americans are not saving as much as they should for their retirement. Your Committee recognizes that this savings deficit threatens the quality of life of people in our State who are approaching retirement or are already retired.

Your Committee finds that states such as California, Connecticut, Illinois, Maryland, Massachusetts, New Jersey, New York, Oregon, Vermont, and Washington have state-sponsored retirement programs. Many other states have introduced legislation for state-sponsored retirement programs. This measure establishes a task force to look at the feasibility of establishing a retirement savings program in Hawaii.

Your Committee finds that the companion to this measure, H.B. No. 2251, H.D. 1, (Regular Session of 2020), was previously passed by your Committee.

Your Committee has amended this measure by:

- (1) Deleting its contents and inserting the contents of H.B. No. 2251, H.D. 1, a measure that:
 - (A) Establishes a 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; and draft an implementation plan for a retirement savings program;



- (B) Requires the retirement savings task force to submit a report of its findings and recommendations, including any proposed legislation, to the Legislature no later than forty days prior to the convening of the Regular Session of 2021; and
- (C) Appropriates funds to retain the consultant and pay for associated expenses, including staff;
- (2) Changing the composition of the task force;
- (3) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2490, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2490, S.D. 2, H.D. 1, and be referred to your Committee on Human Services & Homelessness.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,


AARON LING JOHANSON, Chair



