

STAND. COM. REP. NO. 2021-22

Honolulu, Hawaii

APR 08 , 2022

RE: S.B. No. 3289  
S.D. 2  
H.D. 2

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-First State Legislature  
Regular Session of 2022  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 3289, S.D. 2, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to establish the Hawaii Retirement Savings Program, a state-facilitated payroll-deduction retirement savings plan for private sector employees in Hawaii who do not have access to employer-sponsored retirement plans.

Your Committee received testimony in support of this measure from Common Cause Hawaii; Catholic Charities Hawai'i; Hawai'i Restaurant Association; Maui Chamber of Commerce; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; AARP Hawai'i; Policy Advisory Board for Elder Affairs; Hawai'i Primary Care Association; Hawai'i Public Health Institute; National Conference on Public Employee Retirement Systems; Adult Foster Homecare Association of Hawaii; Alliance of Residential Care Administrators; and sixteen individuals. Your Committee received testimony in opposition to this measure from the American Council of Life Insurers, National Association of Insurance and Financial Advisors Hawaii, and two individuals. Your Committee received comments on this measure from the Department of Human Services, Department of Budget and Finance, Department of Labor and

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Industrial Relations, Executive Office on Aging, Tax Foundation of Hawaii, Hawaiian Community Assets, Hawai'i Community Lending, and Retail Merchants of Hawaii.

Your Committee has amended this measure by:

- (1) Specifying that a covered employer is any person who is in business in the State, rather than any person who has been in business in the State for more than two years;
- (2) Removing the authorization for the Hawaii Retirement Savings Board to enter into service contracts with the Employees' Retirement System;
- (3) Authorizing, rather than requiring, the Hawaii Retirement Savings Board to:
  - (A) Develop and disseminate information to educate covered employees;
  - (B) Determine the time frame for development and implementation of the Hawaii Retirement Savings program (Program);
  - (C) Conduct a detailed implementation and evaluation study;
  - (D) Determine the level of staffing necessary for the Program; and
  - (E) Adopt rules and making the inclusion of rules governing certain subjects discretionary, rather than mandatory;
- (4) Authorizing, rather than requiring, the Department of Labor and Industrial Relations to adopt rules to govern the actions of the Hawaii Retirement Savings Board;
- (5) Clarifying when the annual audits shall begin;
- (6) Inserting an appropriation amount of \$1,255,000 for the implementation and operation of the Program, including the hiring of an Executive Director exempt from civil



service and collective bargaining laws, a Program Specialist, and an Office Assistant;

- (7) Inserting an appropriation of \$1,000,000 for outreach and education on the Program;
- (8) Providing seed money of \$25,000,000 to be deposited into and appropriated out of the Hawaii Retirement Savings Special Fund to authorize a state match of \$500 for the first 50,000 participants who opt in to the Program;
- (9) Making it effective upon its approval; provided that the appropriations take effect on July 1, 2022; and
- (10) 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3289, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3289, S.D. 2, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Finance,

  
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SYLVIA LUKE, Chair



