SENATE CONCURRENT RESOLUTION

CONVENING A LEGISLATIVE WORKING GROUP TO INVESTIGATE AND IDENTIFY STRATEGIES TO PROMOTE GREATER RETIREMENT SAVINGS FOR PRIVATE SECTOR EMPLOYEES IN HAWAII.

WHEREAS, there is a looming retirement security crisis in this State, as many individuals do not have access to an employer-sponsored retirement plan; and

WHEREAS, individuals without a retirement plan are at significant risk of not having enough retirement income to meet basic expenses during retirement; and

WHEREAS, retirement savings plans help employees achieve economic security, improve economic mobility, and reduce wealth disparity; and

WHEREAS, individuals need a lifelong savings system that provides them with the opportunity to build their assets and attain future financial stability; and

WHEREAS, providing private sector employees with access to employer-sponsored retirement plans provides a reliable way to accumulate savings needed for a secure retirement; and

WHEREAS, approximately fifty percent of Hawaii's private sector employees work for an employer that does not offer a retirement plan or are not eligible for the plan offered; and

WHEREAS, the lack of opportunity to participate in an employer-provided retirement plan spans all levels of education and earnings; and

WHEREAS, employees of Hawaii businesses with fewer than one hundred employees are much less likely to have access to a retirement plan than employees of larger businesses; and
WHEREAS, employees who are offered the opportunity to save through the employee's place of employment are significantly more likely to participate and make steady contributions to build retirement savings; now, therefore,

BE IT RESOLVED by the Senate of the Twenty-ninth Legislature of the State of Hawaii, Regular Session of 2017, the House of Representatives concurring, that the legislative retirement savings working group is convened to investigate and identify strategies to promote greater retirement savings for private sector employees; and

BE IT FURTHER RESOLVED that the working group be composed of the following:

(1) One Senator, to be co-chair of the working group, to be appointed by the President of the Senate;

(2) One Representative, to be co-chair of the working group, to be appointed by the Speaker of the House of Representatives;

(3) The Director of Finance, or the Director's designee;

(4) A representative of the Employees' Retirement System;

(5) The Comptroller, or the Comptroller's designee;

(6) The Director of Commerce and Consumer Affairs, or the Director's designee;

(7) One representative of the Chamber of Commerce Hawaii;

(8) Three community members representing various senior citizen interests, to be jointly selected by the Senate President and the Speaker of the House of Representatives, as follows: one member representing a senior advocacy group, one member representing a social services group, and one member representing a community organization, such as AARP Hawaii;
(9) Four members with experience in financial counseling for seniors, to be jointly selected by the Senate President and the Speaker of the House of Representatives, as follows: one member representing a company offering retirement savings or a financial services company, one member representing a bank or savings and loan company, one member representing a financial trade group, such as the Hawaii Bankers Association, and one member representing a third-party administrator;

(10) One member from each of the following four public interest groups: Hawaii Appleseed Center for Law and Economic Justice, Assistive Technology Resource Centers of Hawaii, Hawaii Employers Council, and Altres; and

(11) A member representing the small business industry to be jointly selected by the Senate President and the Speaker of the House of Representatives; and

BE IT FURTHER RESOLVED that the working group is requested to:

(1) Make recommendations on the feasibility, strategies, and impact of establishing a retirement savings program to promote greater retirement savings for private sector employees;

(2) Determine the financial impact to the State's social safety net programs and the general fund if the State fails to act to improve workers' access to retirement savings opportunities;

(3) Consult with the private and nonprofit sectors concerning the establishment and operation of high-quality and low-cost retirement savings plans that are governed by federal law and that qualify for tax-favored treatment under the Internal Revenue Code, and the efficacy of these plans;
(4) Perform an analysis to determine whether and how to best establish a statewide retirement savings option that will connect business owners/employers and their private sector employees, including part-time workers and the self-employed, to retirement savings opportunities that:

(A) Are broadly available;

(B) Use automatic enrollment and automatic escalation;

(C) Are low cost to employees, employers, and the State; and

(D) Offer lifetime income options;

(5) Examine other retirement savings programs and incentives that include but are not limited to state-sponsored retirement savings programs in California, Oregon, and Maryland and private marketplace plans in Washington, Utah, and New Jersey;

(6) Provide information regarding the status of the current educational efforts in Hawaii concerning saving, investment, planning for retirement, financial planning, and the dissemination of such information, especially to younger people, as well as an analysis of the efficacy of these efforts; and

(7) Determine the best role for the State in helping Hawaii workers save for their future; and

BE IT FURTHER RESOLVED that the working group is requested to submit a draft report of its findings and recommendations, including any proposed legislation, to the Legislative Reference Bureau no later than October 1, 2017; and

BE IT FURTHER RESOLVED that the working group, with the assistance of the Legislative Reference Bureau, is requested to report its findings and recommendations, including any proposed
legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2018; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Comptroller, Director of Finance, Director of Commerce and Consumer Affairs, Executive Director of the Employees' Retirement System, Director of the Legislative Reference Bureau, President and Chief Executive Officer of the Chamber of Commerce Hawaii, Hawaii Appleseed Center for Law and Economic Justice, Assistive Technology Resource Centers of Hawaii, Hawaii Employers Council, and Altres.