

STAND. COM. REP. NO.

2467

Honolulu, Hawaii

FEB 16 2018

RE: S.B. No. 2333
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Labor, to which was referred S.B. No. 2333
entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to establish a
Hawaii Retirement Savings Board to administer the Hawaii
Retirement Savings Plan for private sector employees.

Your Committee received testimony in support of this measure
from AARP Hawai'i, Hawaii Appleseed Center for Law & Economic
Justice, and two individuals. Your Committee received testimony
in opposition to this measure from the National Association of
Insurance and Financial Advisors. Your Committee received
comments on this measure from the Department of Budget and
Finance.

Your Committee finds that there is an imminent retirement
security crisis in the State, as many individuals do not have
access to an employer-sponsored retirement plan. Your Committee
further finds that approximately fifty percent of the State's
private sector employees work for an employer that does not offer
a retirement plan or are not eligible for the plan offered. The
lack of opportunity to participate in an employer-provided
retirement plan spans all levels of education and earnings. A
lifelong savings system that provides individuals with the



opportunity to build their assets and attain future financial stability provides the means by which individuals can retire and achieve economic security, improved economic mobility, and reduced wealth disparity.

Your Committee acknowledges that this measure is a work in progress and as such, your Committee has amended this measure by:


- (1) Adding two community representatives to the Hawaii Retirement Savings Board, one to be selected by the President of the Senate and one to be selected by the Speaker of the House of Representatives;
- (2) Adding language to allow for a request for proposals to be issued for a third party to conduct the market analysis;
- (3) Requiring a preliminary report be submitted to the Legislature prior to the Regular Session of 2019 and a final report to be submitted prior to the Regular Session of 2020;
- (4) Authorizing the Department of Budget and Finance to adopt interim rules as necessary for the market analysis;
- (5) Appropriating funds for the market analysis;
- (6) Extending the date by which the retirement savings plan must be established so that individuals may begin making contributions no later than July 1, 2021, rather than July 1, 2020;
- (7) Inserting an effective date of January 1, 2050, to encourage further discussion; and
- (8) 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 that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2333, as amended herein, and recommends that it pass Second Reading in the



form attached hereto as S.B. No. 2333, S.D. 1, and be referred to your Committee on Ways and Means.

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



JILL N. TOKUDA, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Labor
LBR

Bill / Resolution No.:* SB 2333	Committee Referral: LBR, WAM	Date: 01/30/18		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	✓			
ENGLISH, J. Kalani (VC)	✓			
CHANG, Stanley	✓			
IHARA, Jr., Les	✓			
TANIGUCHI, Brian T.	✓			
TOTAL	5	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes