A BILL FOR AN ACT

RELATING TO THE HAWAII RETIREMENT SAVINGS PROGRAM.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAI'I:

SECTION 1. The legislature 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. Individuals without a retirement plan are at significant risk of not having enough retirement income to meet basic expenses during retirement. A retirement savings plan can help employees achieve economic security, improve economic mobility, and reduce wealth disparity.

The legislature further finds that individuals need a lifelong savings strategy that provides them with the opportunity to build their assets and attain financial stability for the long run. Access by private sector employees to employer-sponsored retirement plans provides a reliable way to accumulate savings needed for a secure retirement, but many small businesses are unable to provide a mechanism for their employees to invest.
The legislature 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. 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. 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.

The purpose of this Act is to establish a task force that will:

(1) Select a research entity to draft an implementation plan for the Hawaii retirement savings program for private sector employees utilizing information from other state experiences and educational institutions with expertise on existing programs; and

(2) Report to the legislature with its findings and proposals including legislation to authorize
implementation of the plan, if necessary by January 2021.

SECTION 2. (a) There is established the Hawaii Retirement Security Task Force to create a Hawaii retirement savings program for private sector employees, not currently covered by an existing employer-sponsored retirement plan.

(b) The task force shall conduct a study to evaluate the cost and propose an implementation plan, with a timeline, to best implement the program utilizing information from other state retirement savings programs and exploring the use of interstate partnerships and agreements.

(c) The task force shall consist of the following members:

(1) The director of the department of budget and finance, or the director's designee;

(2) The director of the department of labor and industrial relations, or the director's designee;

(3) One person appointed by the speaker of the house to represent the interests of employees;

(4) One person appointed by the speaker of the house to represent the interests of consumer groups;
(5) One person appointed by the president of the senate with experience in the financial services industry, or a similar field;

(6) One person appointed by the president of the senate to represent retirees; and

(7) One person appointed by the governor to represent the interests of small business.

(d) The task force shall report to the legislature its findings and recommendations, including any proposed legislation, no later than forty days prior to the convening of the regular session of 2021.

(e) The task force may issue a request for proposals for a third party to conduct the analysis as described above. The contracting services under this Act shall be exempt from chapter 103D, Hawaii Revised Statutes.

(f) The task force shall dissolve on March 15, 2021. Any vacancy on the task force shall be filled by the same selection authority that appointed the vacating member.

(g) The task force shall select the chair of the task force during their first meeting.
The department of budget and finance shall provide staff support to the task force.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of $400,000 or so much thereof as may be necessary for fiscal year 2020-2021 for the purposes of this Act.

SECTION 4. The sum appropriated shall be expended by the department of budget and finance for the purposes of this Act.

SECTION 5. This Act shall take effect on July 1, 2020.

INTRODUCED BY:
Report Title:
Hawaii Retirement Savings Program; Retirement; Task Force; Appropriation

Description:
Establishes the Hawaii Retirement Savings Program task force, tasked with evaluating a retirement savings plan for non-government employees and reports findings and recommendations to the legislature. Appropriates funds. Task force dissolves on 3/15/2021.

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