

STAND. COM. REP. NO.

1181

Honolulu, Hawaii

, 2025

MAR 13

RE: S.B. No. 855
S.D. 1
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Labor, to which was referred S.B. No. 855,
S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Clarify the definition of "covered employer" under the Hawaii Retirement Savings Act;
- (2) Require automatic enrollment of covered employees into the Hawaii Retirement Savings Program unless the employee opts out;
- (3) Repeal the limit on the total fees and expenses that can be spent for the Program each year; and
- (4) Appropriate funds for the development and operation of the Hawaii Retirement Savings Program.

Your Committee received testimony in support of this measure from the Executive Office on Aging; Hawai'i Retirement Savings Board; Policy Advisory Board for Elder Affairs; Hawai'i Island

2025-2483 SB855 HD1 HSCR HMSO



Chamber of Commerce; AARP Hawai'i; Hawaii Primary Care Association; Goya's Garage; Alliance of Residential Care Administrators; Hawai'i Community Lending; and numerous individuals. Your Committee received testimony in opposition to this measure from the Retail Merchants of Hawaii and Maui Chamber of Commerce. Your Committee received comments on this measure from Tax Foundation of Hawaii.

Your Committee finds that the Hawaii Retirement Savings Program provides long-term financial security and protection against inflation to qualified private-sector employees for retirement through automatic payroll deductions, who would otherwise have to independently save money for retirement. Your Committee notes that employers with retirement savings programs that have auto-enrollment policies have higher overall contribution rates by their employees than employers with only voluntary enrollment. This measure encourages employees to engage with their retirement plans and make proactive and informed decisions about their financial future.

Your Committee has amended this measure by changing the effective date to July 1, 3000, to encourage further discussion.

Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider an appropriation amount of \$720,000 for fiscal year 2025-2026 and \$445,000 for fiscal year 2026-2027.

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. 855, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 855, S.D. 1, H.D. 1, and be referred to your Committee on Finance.



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



JACKSON D. SAYAMA, Chair



Record of Votes of the Committee on Labor

Bill/Resolution No.: SB 855, SD1	Committee Referral: LAB, FIN	Date: 3/11/25
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The committee is reconsidering its previous decision on the measure.

The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold
 Pass short form bill with HD to recommit for future public hearing (recommit)

LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. SAYAMA, Jackson D. (C)	X			
2. LEE, Mike (VC)	X			
3. GARRETT, Andrew Takuya	X			
4. KAPELA, Jeanne	X			
5. KONG, Sam Satoru		X		
6. REYES ODA, Julie				X
TOTAL (6)	4	1		1

The recommendation is: Adopted Not Adopted
 If joint referral, _____ did not support recommendation.
 committee acronym(s)

Vice Chair's or designee's signature: