

---

---

# HOUSE CONCURRENT RESOLUTION

ESTABLISHING A WORKING GROUP TO DETERMINE THE FEASIBILITY OF  
REQUIRING EMPLOYERS TO OFFER A DEFERRED COMPENSATION PLAN  
FOR ALL EMPLOYEES WORKING AT LEAST 20 HOURS A WEEK.

1           WHEREAS, recent trends and economic conditions, including  
2 the economic downturn experienced during the mid-2000s, have  
3 increased credit card debt and student loan debt and have  
4 resulted in individuals saving less money for their retirement;  
5 and

6  
7           WHEREAS, as the population of the United States continues  
8 to age, it is imperative that individuals plan for their  
9 financial stability during their retirement years; and

10  
11           WHEREAS, recent studies and surveys have found that only 37  
12 percent of individuals have enough savings to cover \$500 in  
13 unexpected expenses; 56.3 percent of individuals have less than  
14 \$1,000 in savings; and approximately 33 percent of families have  
15 no savings at all; and

16  
17           WHEREAS, surveys conducted solely on retirement savings  
18 have found that 56 percent of individuals have less than \$10,000  
19 saved for retirement; and

20  
21           WHEREAS, this lack of retirement savings has caused  
22 retirees to increasingly rely solely on Social Security as a  
23 financial means of support during their retirement years, with  
24 21 percent of married couples and 43 percent of unmarried  
25 persons relying on Social Security for 90 percent of their total  
26 income in 2016; and

27  
28           WHEREAS, although options exist for Americans to establish  
29 retirement savings, such as individual retirement accounts, many



## H.C.R. NO. 150

1 of these options require minimum deposits that cannot be met by  
2 individuals with little disposable income; and

3  
4 WHEREAS, deferred compensation plans, plans where a portion  
5 of an employee's earnings is set aside to be paid at a later  
6 date with taxes being deferred until those earnings are paid  
7 out, offer individuals another means of saving for retirement;  
8 and

9  
10 WHEREAS, deferred compensation plans may make it easier for  
11 minimum wage and lower wage employees to set aside more savings  
12 for retirement since employees could have as little as one  
13 percent of their earnings placed into a deferred compensation  
14 plan account; and

15  
16 WHEREAS, while employers in Hawaii currently face  
17 increasing operating costs because of mandatory prepaid  
18 healthcare benefits, workers' compensation insurance  
19 requirements, and temporary disability insurance costs, among  
20 other things, the costs of requiring employers to offer deferred  
21 compensation plans to employees working at least 20 hours per  
22 week are unknown; and

23  
24 WHEREAS, the societal costs of having large numbers of  
25 individuals with no means of financial support during their  
26 retirement years are great, as many individuals in need will  
27 turn to government assistance programs and thereby place a  
28 tremendous strain on all sectors of the population; and

29  
30 WHEREAS, the availability and use of deferred compensation  
31 plans by individuals who are not yet retired may have a  
32 significant impact on reducing the number of individuals with no  
33 means of financial support during their retirement years; now,  
34 therefore,

35  
36 BE IT RESOLVED by the House of Representatives of the  
37 Twenty-ninth Legislature of the State of Hawaii, Regular Session  
38 of 2017, the Senate concurring, that a working group be  
39 established to determine the feasibility of requiring employers  
40 to offer deferred compensation plans to all employees working at  
41 least 20 hours per week; and



1 BE IT FURTHER RESOLVED that in determining the feasibility  
2 of requiring employers to offer deferred compensation plans, the  
3 working group examine:

- 4
- 5 (1) The costs to employers for offering and implementing  
6 deferred compensation plans;
  - 7
  - 8 (2) The benefits deferred compensation plans would provide  
9 individual employees;
  - 10
  - 11 (3) Whether individual employees would be more likely to  
12 use deferred compensation plans if these plans are  
13 offered by employers;
  - 14
  - 15 (4) Any impacts increased use of deferred compensation  
16 plans would have on government assistance programs  
17 such as Medicaid;
  - 18
  - 19 (5) Any enforcement issues that would need to be addressed  
20 to ensure compliance with any established  
21 requirements; and
  - 22
  - 23 (6) Any other issue deemed necessary by the working group;  
24 and
  - 25

26 BE IT FURTHER RESOLVED that the working group consist of:

- 27
- 28 (1) The Speaker of the House of Representatives, or the  
29 Speaker's designee;
  - 30
  - 31 (2) The President of the Senate, or the President's  
32 designee;
  - 33
  - 34 (3) The Director of Commerce and Consumer Affairs, or the  
35 Director's designee, who shall serve as Chair;
  - 36
  - 37 (4) The Director of the Executive Office on Aging, or the  
38 Director's designee;
  - 39
  - 40 (5) The Chairperson of the Board of Trustees of the  
41 Employees' Retirement System, or the Chairperson's  
42 designee;



# H.C.R. NO. 150

- 1           (6) The President of The Chamber of Commerce Hawaii, or
- 2           the President's designee;
- 3
- 4           (7) The Hawaii State Director of AARP, or the Director's
- 5           designee;
- 6
- 7           (8) A member representing a bank, credit union, or other
- 8           financial institution to be selected by the Chair of
- 9           the working group;
- 10
- 11          (9) A member of the public who is a retiree to be selected
- 12          by the Chair of the working group; and
- 13
- 14          (10) A member who is a private employer that currently
- 15          offers a deferred compensation plan to their employees
- 16          to be selected by the Chair of the working group; and
- 17

18           BE IT FURTHER RESOLVED that the working group submit a  
 19 report of its findings and recommendations, including any  
 20 proposed legislation, to the Legislature no later than 20 days  
 21 prior to the convening of the Regular Session of 2018; and

22

23           BE IT FURTHER RESOLVED that certified copies of this  
 24 Concurrent Resolution be transmitted to the Director of Commerce  
 25 and Consumer Affairs, Chairperson of the Board of Trustees of  
 26 the Employees' Retirement System, Director of the Executive  
 27 Office on Aging, President of The Chamber of Commerce Hawaii,  
 28 and Hawaii State Director of AARP.

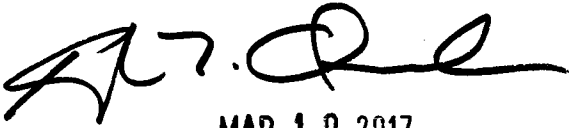
29  
 30  
 31

OFFERED BY:

The block contains several handwritten signatures. On the left side, there are four signatures: the first is partially obscured by a large scribble, the second is 'Suzanne', the third is 'Cindy Evans', and the fourth is 'John W. ...'. On the right side, there are three signatures: the top one is a large, stylized signature, the middle one is 'Chris ...', and the bottom one is 'John W. ...'. There is also a signature 'Bibi' written below the middle signature on the right.



H.C.R. NO. 150

A handwritten signature in black ink, appearing to be 'A. J. O. O.', written in a cursive style.

MAR 10 2017

