
HOUSE 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
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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
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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
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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
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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
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28 WHEREAS, although options exist for Americans to establish
29 retirement savings, such as individual retirement accounts, many
30 of these options require minimum deposits that cannot be met by
31 individuals with little disposable income; and



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

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

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

20
21 WHEREAS, the societal costs of having large numbers of
22 individuals with no means of financial support during their
23 retirement years are great, as many individuals in need will
24 turn to government assistance programs and thereby place a
25 tremendous strain on all sectors of the population; and

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

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33 BE IT RESOLVED by the House of Representatives of the
34 Twenty-ninth Legislature of the State of Hawaii, Regular Session
35 of 2017, that a working group be established to determine the
36 feasibility of requiring employers to offer deferred
37 compensation plans to all employees working at least 20 hours
38 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:

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

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- 28 (1) The Speaker of the House of Representatives, or the
29 Speaker's designee;
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 - 31 (2) The President of the Senate, or the President's
32 designee;
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 - 34 (3) The Director of Commerce and Consumer Affairs, or the
35 Director's designee, who shall serve as Chair;
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 - 37 (4) The Director of the Executive Office on Aging, or the
38 Director's designee;



- 1 (5) The Chairperson of the Board of Trustees of the
- 2 Employees' Retirement System, or the Chairperson's
- 3 designee;
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- 5 (6) The President of The Chamber of Commerce Hawaii, or
- 6 the President's designee;
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- 8 (7) The Hawaii State Director of AARP, or the Director's
- 9 designee;
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- 11 (8) A member representing a bank, credit union, or other
- 12 financial institution to be selected by the Chair of
- 13 the working group;
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- 15 (9) A member of the public who is a retiree to be selected
- 16 by the Chair of the working group; and
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- 18 (10) A member who is a private employer that currently
- 19 offers a deferred compensation plan to their employees
- 20 to be selected by the Chair of the working group; and
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22 BE IT FURTHER RESOLVED that the working group submit a
 23 report of its findings and recommendations, including any
 24 proposed legislation, to the Legislature no later than 20 days
 25 prior to the convening of the Regular Session of 2018; and

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

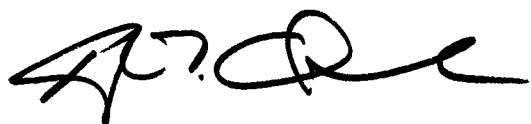
OFFERED BY:

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John M. ...
Ch. ...

Sup. Tom ...
Ricky Evans

Chant ...
... ..
Stali

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

MAR 10 2017

