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# A BILL FOR AN ACT

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RELATING TO THE HAWAII RETIREMENT SAVINGS PROGRAM.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. The legislature finds that there is an imminent  
2 retirement security crisis in the State, as many individuals do  
3 not have access to an employer-sponsored retirement plan.  
4 Individuals without a retirement plan are at significant risk of  
5 not having enough retirement income to meet basic expenses  
6 during retirement. A retirement savings plan can help employees  
7 achieve economic security, improve economic mobility, and reduce  
8 wealth disparity.

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



1       The legislature further finds that approximately fifty per  
2 cent of the State's private sector employees work for an  
3 employer that does not offer a retirement plan or are not  
4 eligible for the plan offered. The lack of opportunity to  
5 participate in an employer-provided retirement plan spans all  
6 levels of education and earnings. Employees of Hawaii  
7 businesses with fewer than one hundred employees are much less  
8 likely to have access to a retirement plan than employees of  
9 larger businesses. Employees who are offered the opportunity to  
10 save through the employee's place of employment are  
11 significantly more likely to participate and make steady  
12 contributions to build retirement savings.

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

- 15       (1) Select a research entity to draft an implementation  
16 plan for the Hawaii retirement savings program for  
17 private sector employees utilizing information from  
18 other state experiences and educational institutions  
19 with expertise on existing programs; and  
20       (2) Report to the legislature with its findings and  
21 proposals including legislation to authorize



1 implementation of the plan, if necessary by January  
2 2021.

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

7 (b) The task force shall select a research entity to draft  
8 an implementation plan, with a timeline and Hawaii retirement  
9 savings programs for private sector employees.

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

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

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

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

17 (4) One person appointed by the speaker of the house to  
18 represent the interests of consumer groups;

19 (5) One person appointed by the president of the senate  
20 with experience in the financial services industry, or  
21 a similar field;



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

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

5 (d) The task force shall report to the legislature its  
6 progress, including any proposed legislation, no later than  
7 forty days prior to the convening of the regular session of  
8 2021.

9 (e) The task force may issue a request for proposals for a  
10 third party to conduct the analysis as described above. The  
11 contracting services under this Act shall be exempt from chapter  
12 103D, Hawaii Revised Statutes.

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

16 (g) The task force shall select the chair of the task  
17 force during their first meeting.

18 (h) The department of budget and finance shall provide  
19 staff support to the task force.

20 SECTION 3. There is appropriated out of the general  
21 revenues of the State of Hawaii the sum of \$400,000 or so much



1    thereof as may be necessary for fiscal year 2020-2021 for the  
2    purposes of this Act.

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

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



# S.B. NO. 2490 S.D. 1

**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. (SD1)

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