STAND. COM. REP. NO. 104 -24

Honolulu, Hawaii

FEB 0 6 , 2024

RE: H.B. No. 2197 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-Second State Legislature Regular Session of 2024 State of Hawaii

Sir:

Your Committee on Labor & Government Operations, to which was referred H.B. No. 2197 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) Require covered employers to automatically enroll covered employees into the Hawaii Retirement Savings Program unless the employee chooses to opt out; and
- (2) Clarify the definition of "covered employer" in the Hawaii Retirement Savings Act.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; Hawai'i Primary Care Association; Hawai'i Family Caregiver Coalition; AARP Hawai'i; and numerous individuals. Your Committee received comments on this measure from the Retail Merchants of Hawaii.

Your Committee 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. Providing private sector employees with access to employer-sponsored retirement plans, unless they opt out, is a reliable way to promote savings needed for a secure retirement, improve employees' financial security, and reduce wealth disparity in society.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2197, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2197, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Labor & Government Operations,

SCOT Z. MATAY SHI, Chair

## State of Hawaii House of Representatives The Thirty-second Legislature

## HSCR104-24

## **Record of Votes of the Committee on Labor & Government Operations**

Bill/Resolution No.: HB 2197	Committee Referral:	Date	2/1/24	f
☐ 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)				
LGO Members	Ayes	Ayes (WR)	Nays	Excused
1. MATAYOSHI, Scot Z. (C)				-
2. GARRETT, Andrew Takuya (VC	C)			
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3. KAPELA, Jeanne				
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4. MARTINEZ, Rose			·	
5. SAYAMA, Jackson D.				
6. TAM, Adrian K.				
7. ALCOS III, David				
				-
		-		
TOTAL (7)	5			2
The recommendation is:  Adopted Not Adopted  If joint referral, did not support recommendation.  committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				