

Honolulu, Hawaii

**FEB 06 2025**RE: S.B. No. 855  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Sir:

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

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Clarify the definition of "covered employer" in the Hawaii Retirement Savings Act;
- (2) Require covered employers to automatically enroll covered employees in the Hawaii Retirement Savings Program unless the employee opts out;
- (3) Repeal the limit on total fees and expenses that can be spent for the Program annually; and
- (4) Appropriate funds to the Department of Labor and Industrial Relations for the development and operation of the Program.

Your Committee received testimony in support of this measure from the Executive Office on Aging, Hawaii Retirement Savings Board, AARP Hawai'i, Hawai'i Family Caregiver Coalition, Hawai'i Primary Care Association, and twelve individuals.



Your Committee received testimony in opposition to this measure from the Retail Merchants of Hawaii.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that there is an urgent need to provide a viable retirement savings option for private sector employees who do not have access to employer-sponsored retirement savings plans. Established to address this issue, a majority of local small businesses support the Hawaii Retirement Savings Program for its minimal fiscal impact on business and potential to stabilize and fortify the State's economy. Your Committee finds, however, that unlike other state-sponsored plans, the Hawaii Retirement Savings Program does not have an automatic enrollment process, which may hinder its ability to accumulate a critical mass of participants needed for the Program's long-term viability and potential to enter into interstate compact agreements. This measure will make the enrollment process automatic for covered employees, with an option to opt out, to avail this crucial life-planning option to an increased number of employees in the State.

Your Committee has amended this measure by:

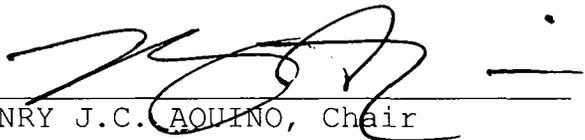
- (1) Requiring covered employers, rather than the program administrators, to provide covered employees with a written notice of their right to opt out of the Program;
- (2) Clarifying that the Board may add an option for program participants to contribute to a traditional individual retirement account (IRA), in addition to or in lieu of a Roth IRA;
- (3) Changing the appropriation to an unspecified amount;
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



Your Committee notes that this measure, as amended, contains an unspecified appropriation amount. Should your Committee on Ways and Means choose to deliberate on this measure, your Committee respectfully requests that it consider inserting an appropriation amount of \$720,000 for the development and operation of the Hawaii Retirement Savings Program.

As affirmed by the record of votes of the members of your Committee on Labor and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 855, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 855, S.D. 1, and be referred to your Committee on Ways and Means.

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

  
HENRY J.C. AQUINO, Chair



The Senate  
Thirty-Third Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Labor and Technology**  
**LBT**

Bill / Resolution No.:* <b>HB855</b>	Committee Referral: <b>LBT, WAM</b>	Date: <b>1/29/25</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
<b>Members</b>	<b>Aye</b>	<b>Aye (WR)</b>	<b>Nay</b>	<b>Excused</b>
AQUINO, Henry J.C. (C)	x			
LEE, Chris (VC)	x			
IHARA, Jr., Les				x
MORIWAKI, Sharon Y.				x
FEVELLA, Kurt	x			
<b>TOTAL</b>	<b>3</b>			<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

**\*Only one measure per Record of Votes**