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HAWAII RETIREMENT  
SAVINGS BOARD

**Co-Chairs**  
Jade T. Butay  
Luis Salaveria

**Members**  
Jessie Keola Dean  
Barbara Krieg  
Andrew Nomura  
Brian Taniguchi  
Karen Yasukawa  
Senator Henry J.C. Aquino  
Representative Jackson D. Sayama

**STATE OF HAWAII**  
**DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**  
830 PUNCHBOWL STREET, ROOM 321  
HONOLULU, HAWAII 96813

**HAWAII RETIREMENT SAVINGS  
BOARD**

**MINUTES OF THE MEETING**

**Date:** August 19, 2025

**Time:** 10:00 a.m.

**In-Person  
Meeting  
Location:** Princess Ruth Ke'elikolani Building  
830 Punchbowl Street, Room 321  
Honolulu, Hawaii 96813

**Virtual  
Participation:** Virtual Videoconference Meeting – Zoom Webinar

<https://us02web.zoom.us/j/89810613627?pwd=d9Gge8JIH9675tWxpOUPh03TLfngFh.1>

**Meeting  
Recording:** <https://www.youtube.com/watch?v=QWxmSC9jjZc>

**Present:** William G. Kunstman, Deputy Director, Department of Labor and Industrial Relations ("DLIR"), Director Designee  
Derek Shigano, Special Assistant, Department of Budget and Finance, Director Designee  
Jessie Keola Dean, Member  
Barbara Krieg, Member  
Andrew Nomura, Member  
Brian Taniguchi, Member  
Matthew Anbe, Deputy Attorney General ("DAG Anbe")  
Ahlani K. Quiogue, Executive Director  
Chavonnie J. Ramos, Public Information Officer, DLIR  
Tri C. Pham, Information Technology Specialist, DLIR

**Excused:** Representative Jackson D. Sayama, Member  
Senator Henry J.C. Aquino, Member

**Zoom Guests:** Grace Sullivan  
Ryley Colle  
1.95E+10  
Victoria Schmidt  
Brandon Curington  
Andrew Blevin, The Pew Charitable Trusts ("Pew")  
John C. Scott, Pew  
Observer

**In-Person  
Guest(s):** None.

**Agenda:** The agenda for this meeting was posted to the State electronic calendar as required by Hawai'i Revised Statutes ("HRS") section 92-7(b).

Co-Chairperson Kunstman explained to the members of the public the procedures to participate in the hybrid board meeting, including how a member of the public can participate and interact with the Board during the board meeting.

**Call to Order:** The meeting was called to order at 10:05 a.m., at which time quorum was established.

Co-Chairperson Kunstman welcomed everyone to the meeting and proceeded with a roll call of the Board members. All Board member(s) attending the meeting virtually confirmed that they were present and alone.

**Approval of the  
June 24, 2025,  
Open Session  
Minutes:** Co-Chairperson Kunstman asked for public comments on this agenda item. There was none.

Co-Chairperson Kunstman asked for comments or amendments to the minutes from the Board members. There was none.

The June 24, 2025, meeting minutes were approved by unanimous consent.

A member of the public named Observer requested to have their camera and microphone on at 10:06 a.m. Observer was removed and blocked from the meeting at 10:07 a.m. after an explicit video was shared.

**New Business:** A. Fiduciary Responsibilities of the Hawai'i Retirement Savings Board

DAG Anbe presented to the Board its fiduciary duties to implement and administer the Hawai'i Retirement Savings Program ("Program").

DAG Anbe discussed the following:

- The purpose of the Board (HRS § 389-3)
- Protection from liability (HRS §§ 389-10, 26-35.5, and compliance with the chapter 103D, the State's procurement code)
- Limitations regarding the protections against liability of Board members (*Awakuni v. Awana*, 115 Haw. 126 (2007), and *Honda v. Bd. of Trustees of ERS*, 108 Haw. 338 (2005))
- Legislative reporting requirements
- Delegation of duties to the Executive Director

DAG Anbe advised the members that the Board's purpose is to implement and administer a retirement savings program for private-sector employees who do not have access to employer-sponsored retirement savings plans.

DAG Anbe emphasized that the Board's key duties are to:

- Design program per best practices.
- Ensure compliance with laws.
- Manage investments and safeguard participant funds.
- Contract a qualified financial institution as program manager.
- Conduct feasibility/implementation studies, staffing, and outreach.
- Liability Protections: Limited under HRS §§ 389-10 & 26-35.5; compliance with procurement law (Ch. 103D) adds protection.
- Legal Guidance: Courts (*Awakuni v. Awana*, 115 Haw. 126 (2007), and *Honda v. Bd. of Trustees of ERS*, 108 Haw. 338 (2005)) suggest both statutory and possible common law duties apply.
- Best Practice: Strict compliance and well-documented justifications for any deviations.

Regarding the Board's duties, Ms. Krieg asked whether the updated report provided by Pew satisfied the statutory requirements.

DAG Anbe referred to HRS § 389-5(c), which provides at the discretion of the Board, that, "Upon submittal of its report to the legislature pursuant to subsection (b) and *prior to implementation of the program*, the board *may* determine the level of staffing necessary to implement the program, develop an implementation strategy and timetable, and conduct outreach efforts to potential covered employers and covered employees." It appears that the updated study by Pew would satisfy these requirements.

Ms. Krieg asked when the report should be submitted to the legislature.

Ms. Quiogue stated that there is no specific timeframe for the report to be submitted in statute.

Co-Chairperson Kunstman sought clarification regarding the broader discussion of legislative reporting. He asked whether the Board is questioning "what should constitute a report back to the Legislature?"

Ms. Krieg stated that she would like to ensure that the Board meets all its statutory obligations and, if there is a broader option, then the Board can determine what is best for the Program.

Mr. Dean commented that legislators may not be fully informed of the purpose of the Program, its status, etc. based solely from board meetings, and that a formal report would give them an easy and accessible way to get updated on the Program's progress.

Mr. Taniguchi suggested that the Board consider offering an informal briefing to legislators ahead of the legislative session. He proposed that this could be organized and spearheaded by Representative Jackson Sayama and Senator Henry Aquino, who are the legislative members of the Board. He went on to say that a pre-session briefing would be more effective than trying to engage legislators during or after session when their schedules are more constrained. The goal would be to update legislators on the Program's progress, especially since the Board is not currently seeking new legislation. This approach would help ensure that key decision-makers are informed and aligned before the session begins.

Co-Chairperson Kunstman stated that that what the Board was discussing regarding legislative updates and Program progress might be well-suited for a legislative informational briefing. There are many informational briefings that occur outside of the legislative session, and this could be a strategic opportunity for the Board. It might be especially beneficial at this time because

there is a new Chair of the House Finance Committee, who may not yet be familiar with the Program. A briefing would help ensure that key legislators are informed and aligned before the session begins, particularly as the Board is not currently seeking new legislation.

B. The Pew Charitable Foundation Presentation

John C. Scott, Project Director, Retirement Savings, The Pew Charitable Trusts, provided updated information regarding the Program modeling.

To assess the potential scale and financial trajectory of the program, the report presents two projections that reflect different assumptions about the number of uncovered employees in Hawai'i:

- Baseline scenario (CPS-based/high-participation case): Estimates are derived from national Current Population Survey (CPS) microdata, scaled to Hawai'i's firm size distribution. This approach produces a total uncovered worker population of approximately 196,600—closely aligned with the 2021 task force feasibility analysis—and results in 21,300 eligible employers statewide.
- Conservative scenario (SUSB-based/low-participation case): Estimates are based on the U.S. Census Bureau's Statistics of U.S. Businesses (SUSB) firm and worker counts, applying a more restrictive assumption about plan access among larger employers. This results in an uncovered worker population of roughly 99,700 and 18,800 eligible employers.

The baseline scenario reflects a broader pool of eligible participants and therefore generally higher participation over time. The conservative scenario serves as a lower bound, illustrating how outcomes may shift under more conservative eligibility assumptions.

Mr. Scott presented his PowerPoint presentation and provided the following information:

- Key findings:
  - Baseline projection: 45,000 accounts and \$700M in assets by year 15.
  - Conservative projection: 20,000 accounts and \$300M in assets by year 15.

- Policy options (e.g., auto-escalation, fee adjustments, enforcement) could significantly increase participation and revenue.

Discussion followed. Mr. Scott emphasized the importance of:

- Knowing Your Customer ("KYC") checks and its impact.
- Multi-state partnerships – currently there are two multi-state partnerships with Colorado Partnership for a Dignified Retirement or Rhode Island (RISavers).

Ms. Krieg raised a concern about the 25–40% failure rate, and expressed that it is huge in KYC checks, and asked Mr. Scott to elaborate on the issue.

Mr. Scott clarified that:

- KYC checks are federally mandated identity verifications required before opening financial accounts. They typically validate a person's name, Social Security number, date of birth, and address.
- These checks are not required for employer-sponsored retirement plans (like 401(k)s) but are required for state-facilitated auto-IRA programs like Hawai'i's.
- The high failure rate is often due to inconsistencies in data especially addresses, which disproportionately affect lower-income or transient populations.
- Financial service providers have some discretion in how they implement KYC checks. Pew has been advocating for a softer KYC approach. For example, allowing use of an employer's address if a worker's address does not match.
- Some states have much higher failure rates than others, likely due to both demographics and how strictly providers apply the checks.
- Pew is in ongoing discussions with the U.S. Treasury Department and service providers to explore more flexible, risk-appropriate KYC practices for these programs.

Mr. Nomura queried whether the Board is responsible for setting the criteria of KYC checks and policy implementation.

In response to Mr. Nomura's question, Mr. Scott stated that while the Board may not directly set the technical criteria for KYC

checks, which are typically handled by financial service providers, it is indeed responsible for engaging with those providers to understand and influence how these checks are implemented. He emphasized that these are important conversations to have during the RFP process when selecting vendors, as different providers may have varying levels of flexibility in how they apply KYC standards.

While the Board may not define the exact technical criteria, it does play a key role in shaping the policy direction and ensuring that implementation aligns with the Board's fiduciary responsibilities and program goals.

Mr. Dean referred to earlier comments regarding multi-state compacts and the slides provided on this information. He emphasized the importance of obtaining more information regarding this matter. He went on to say that he has an interest in learning more about the Colorado and Rhode Island's partnerships, and how joining a compact could affect program implementation, costs, and vendor negotiations.

Ms. Quiogue informed the members that she will be inviting the Executive Director from Colorado and Georgetown Center for Retirement Initiatives to its September board meeting.

Mr. Nomura stated that with the information presented by Pew and the information presented in September, he hopes that the Board will be able to decide whether it will be a standalone program or join a multi-state compact. He went on to ask whether there were any other standalone programs.

Mr. Andrew Blevins, Officer, Pew Charitable Foundation, responded that California, Illinois, and Oregon are standalone programs because there were no multi-state compacts at the time these programs were established.

Mr. Nomura asked how smaller states have approached retirement savings programs and whether they pursued standalone models or joined multi-state partnerships.

Mr. Scott explained that one of the challenges smaller states with lower populations like Hawai'i face is the challenge of bidding for financial service providers.

In the context of discussing the benefits of joining a multi-state partnership, Mr. Scott emphasized that financial providers are looking for scale and efficiency. Financial providers may be less inclined to bid on contracts from smaller standalone programs. By joining a consortium, smaller states can: increase their

bargaining power; attract more competitive bids; reduce implementation costs; and accelerate program launch timelines.

This insight supported the broader discussion about Hawai'i potentially joining an existing partnership, such as those led by Colorado or Rhode Island to improve feasibility and cost-effectiveness.

Mr. Taniguchi referred to the fee structure for the Program and noted that, the fee structure appears to have doubled since the initial report was issued in 2021. Specifically, he recalled that the Board had previously considered a 0.15% fee, but the updated modeling shows a 0.29% fee.

In response to Mr. Taniguchi's observation, Mr. Scott confirmed that:

- Fees have increased since 2021, largely due to financial service providers gaining more experience with the actual costs of running these programs (e.g., call centers, outreach, investment management).
- The increase reflects real-world adjustments based on operational data from other states.
- States have also renegotiated their fees over time as their programs matured and assets grew.
- Larger asset pools, such as those achieved through multi-state partnerships, can help lower fees over time due to economies of scale.

Regarding the automatic escalation feature in other states' retirement savings programs, Co-Chairperson Kunstman asked whether other states limit contributions at 10%, or if participants are allowed to contribute more once the automatic escalation reaches that threshold.

Mr. Scott responded that, most programs cap automatic escalation at 10%, meaning contributions automatically increase by 1% annually until they reach that level. However, participants may choose to contribute more than 10% if they wish.

Mr. Scott emphasized that most participants tend to stick with the default settings, rarely adjusting their contribution rates manually highlighting the importance of thoughtful default design.

Co-Chairperson Kunstman asked whether contribution escalation or fee structures should be addressed in administrative rules.



Ms. Quiogue responded affirmatively that administrative rules are the appropriate vehicle as these provisions should not be embedded in statute. Administrative rules offer more flexibility and are easier to amend as the program evolves.

Members discussed the role of administrative rules in defining key program elements such as contribution rates, opt-out procedures, and fee structures. The consensus leaned toward the importance of having administrative rules established early to ensure clarity, compliance, and fiduciary accountability.

Ms. Krieg emphasized the importance of administrative rules. Employers will need clear guidance on how the program operates. She had assumed the Board would be responsible for setting those rules. However, admitting that the Board does not know everything, nor can they foresee an issue before it occurs.

Ms. Quiogue asked DAG Anbe whether the Board may implement certain program elements through policy rather than wait for the formal administrative rule process. Initially the Board may consider doing it through policy and documenting said policy in its board meeting minutes until the rule process is completed.

As the Board is aware, the administrative rule process can be several months or even years. This includes the various levels of review, public hearing, and going before the Small Business Regulatory Review Board.

DAG Anbe indicated that he would work with DAG Moriyama to determine whether this is a viable option. He clarified further that he would seek information regarding what: decisions must be made through administrative rule, can be handled through Board policy, and documentation is required to ensure fiduciary compliance and legal defensibility.

Co-Chairperson Kunstman asked Mr. Scott how other jurisdictions address the enforcement piece of their program and what type of staffing does it involve.

Mr. Scott explained that enforcement is typically handled through partnerships with other state agencies, such as the Departments of Revenue or Labor. These agencies issue a series of escalating notices to non-compliant employers, often three rounds, encouraging them to either enroll in the program or demonstrate exemption. The program administrator usually does not handle enforcement directly. Most employers respond to the notices without the need for fines or further action. In some instances the program may contract with the enforcement

agency, and the agency may charge a fee for its services.

Mr. Scott emphasized that very few fines are collected, as the notices are usually sufficient to prompt compliance.

Co-Chairperson Kunstman informed the Board that currently Unemployment Insurance ("UI") division provides enforcement-related services, but the programs are restricted in how they can use funding. More specifically, they cannot use their funding on anything other than their program. He went on to say that some of the divisions within the department enter into data-sharing agreements. UI data is considered the gold standard for employer information across state government.

Co-Chairperson Kunstman mentioned a statewide data task force established by the Legislature, led by the Office of Enterprise Technology Services (ETS), which is exploring centralized data access and efficiency improvements. This could eventually impact how the Board accesses and uses employer data for enforcement and outreach.

To summarize the discussion above, the following responsibilities and decisions must be considered:

#### 1. Fiduciary Duties

- The Board must always act in the best interests of program participants.
- Fiduciary responsibilities include:
  - Oversight of program design and implementation.
  - Ensuring transparency, cost-efficiency, and legal compliance.
  - Making decisions that support long-term sustainability and participant benefit.

#### 2. Implementation Planning

- The Board has discretion over the timeline and pace of program rollout.
- Key responsibilities include:
  - Developing a detailed implementation plan.
  - Deciding whether to launch a standalone program or join a multi-state partnership.
  - Issuing RFPs for vendors (e.g., program administrator, investment manager).
  - Overseeing contracting and procurement in compliance with state law.

### 3. Rulemaking and Policy Design

- The Board must determine which elements require administrative rules (e.g., opt-out process, contribution escalation, fee structures).
- Administrative rules ensure clarity, public input, and legal defensibility.
- The Board may also adopt interim policies documented in meeting minutes while rules are being finalized.

### 4. Outreach and Education

- The Board is responsible for developing and overseeing a comprehensive outreach strategy targeting:
  - Employers (especially small businesses).
  - Employees and the general public.
  - Financial professionals (e.g., advisors, CPAs) who can help promote the program.

### 5. Monitoring and Evaluation

- Monitor program performance.
- Evaluate vendor compliance and participant outcomes.
- Adjust policies and contracts as needed to improve effectiveness.

### 6. Reporting to the Legislature

- The Board is expected to report on progress of the Program and may be required to submit updates or recommendations to the Legislature before full implementation.

Mr. Nomura emphasized that financial advisors would be key to accessing employers. This point was made in the context of outreach and engagement strategies for the Program. He noted that financial advisors are often the first point of contact for employers when it comes to retirement planning, play a critical role in educating employers about the state program, and help employers decide whether to participate or establish their own plans. By leveraging this network, the Program could significantly improve employer awareness and adoption.

Co-Chairperson Kunstman asked the members and public if there were any further questions or comments regarding this agenda topic. There were none.

**Executive  
Director Report:**

A. 2025 Financial Disclosures

Ms. Quiogue reminded members that all financial disclosure statements for State officials and boards and commissions members were due on by Monday, June 2, 2025. Members must file their disclosures immediately if they have not already done so.

**Next Meeting:** The Board discussed holding a board meeting in September.

**Adjournment:** There being no further business, the meeting adjourned at 11:41 a.m.

Taken and recorded by:

/s/ Ahlani K. Quiogue

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Executive Director

( X) Minutes approved as is.  
( ) Minutes approved with changes: