



State of Hawaii
Department of Labor and Industrial Relations
Hawaii Retirement Savings Program

Frequently Asked Questions (FAQs) Hawaii Retirement Savings Program

Employee FAQs

What is the Hawaii Retirement Savings Program (HRSP)?

The HRSP is a retirement savings program for private-sector employees in Hawai'i who do not have access to a retirement savings plan through their employer. It is a state-facilitated, payroll-deduction Roth IRA.

How do I enroll?

Eligible employees will be automatically enrolled in the HRSP by their employer once the program launches. Your employer will provide you with a written notice informing you of your enrollment and your right to opt out.

What is a Roth IRA?

A Roth IRA is a retirement savings account into which you contribute after-tax dollars. Your contributions grow tax-free in the account, and qualified withdrawals in retirement are also tax-free.

How much will I contribute?

The default contribution is 5% of your wages, deducted from each paycheck. However, you can change your contribution rate at any time.

Can I contribute more or less than the default amount?

Yes, you can elect to contribute a higher or lower percentage of your pay, as long as it does not exceed the annual contribution limits set by the IRS.

Can I opt out of the program?

Yes. Although you will be automatically enrolled, you can choose to opt out of participation.

Are there any employer contributions?

No, employers are not permitted to contribute to their employees' accounts.

What happens if I change jobs?

Your HRSP account is portable, so it belongs to you even if you change employers. If your new employer is covered by the HRSP, your new employer will continue to deduct your contributions from each paycheck and deposit them into your account. If your new employer is not covered by HRSP, you can continue to make contributions of after-tax dollars into the account on your own or make a tax-free rollover or transfer from your account to another IRA account or to a tax-qualified plan that accepts rollovers.

When can I withdraw my money?

The rules for withdrawals follow federal guidelines for Roth IRAs. Generally, qualified distributions are tax-free and can be made after a five-year holding period and once you reach age 59½, become disabled, or upon your death.

Employer FAQs

What are my requirements under the HRSP?

If you are a private-sector employer in Hawaii with at least one employee, you must either:

- Enroll in and facilitate the state-run HRSP program.
- Offer your employee(s) a qualifying retirement plan, such as a 401(k).
- Offer a Pooled Employer Plan (PEP). PEPs were created by the 2019 SECURE Act to allow unrelated employers to join a single 401(k) plan. A third-party "Pooled Plan Provider" (PPP) administers the plan, relieving businesses of much of the fiduciary responsibility.

Is automatic enrollment mandatory?

Yes. In 2025, Governor Josh Green signed legislation (Act 113) amending the program to require covered employers to automatically enroll eligible employees.

Do I have to contribute to my employees' accounts?

No, employer contributions are not required or permitted under the HRSP.

What are the deadlines for compliance?

While the HRSP is still under development, and the Hawaii Retirement Savings Board is yet to announce a launch date, employers should prepare for future deadlines. Failure to comply with registration and enrollment deadlines once they are announced could result in penalties.

What are my responsibilities as an employer?

Your responsibilities generally include:

- Notifying eligible employees of their enrollment and their right to opt out.
- Deducting contributions from employees' paychecks through payroll deduction.
- Transmitting these contributions to the HRSP in a timely manner.
- Maintaining and updating employee information in the program's portal.

Will the HRSP create a fiduciary responsibility for my business

No, one of the benefits of the program for employers is that it does not create a fiduciary responsibility for the company.

What if I already offer a retirement plan?

If you already offer a qualified, employer-sponsored retirement plan, such as a 401(k), you are not required to participate in the state program.

What are the penalties for non-compliance?

If you are required to participate and fail to do so once the program is active, you may face penalties. These penalties could be up to \$5,000 per calendar year. Also, any covered employee denied enrollment into the program may file a civil action against the covered employer for injunctive relief and the recovery of costs, including reasonable attorneys' fees.

Additional Information

Hawaii Retirement Savings Program
(808) 586-8846

HRSP Website: labor.hawaii.gov/hrsp
TTD/TTY: Dial 711; ask for (808) 586-8842

Address:

830 Punchbowl St
Room 321
Honolulu, HI
96813