

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR



JADE T. BUTAY
DIRECTOR

WILLIAM G. KUNSTMAN
DEPUTY DIRECTOR

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

HAWAII RETIREMENT
SAVINGS BOARD

Co-Chairs
Jade T. Butay
Luis Salaveria

Members
Jessie Keola Dean
Barbara Krieg
Andrew Nomura
Brian Taniguchi
Karen Yasukawa
Senator Sharon Moriwaki
Representative Andrew Takuya Garrett

HAWAII RETIREMENT SAVINGS PROGRAM BOARD MEETING

May 20, 2024
3:30 PM
830 Punchbowl Street
Room 321
Honolulu, HI 96813

Remote Meeting

Board members, staff, and members of the public may participate in the remote meeting by using the following Zoom link:

<https://us02web.zoom.us/j/83878277355?pwd=eFh3WCtkS2Q0SWxRTU5kc0xiT3ZQdz09>

Meeting ID: 838 7827 7355
Passcode: 605977

If you do not have the technology or ability to join the remote meeting via Zoom, please dial +1 (669) 444-9171 on the telephone to participate in the remote meeting.

Board Materials

Meeting materials are available for review at <https://labor.hawaii.gov/blog/main/hrsp/>.

AGENDA

- I. **Call Meeting to Order**
- II. **Approval of the Minutes of the February 15, 2024 Meeting**
- III. **Public Comment Period for Agenda Items**

Written testimony may be submitted via email at dlii.hrsp@hawaii.gov, U.S. mail or hand delivery to 830 Punchbowl Street, Suite 321, Honolulu, HI 96813, or facsimile at (808) 586-9099. Individuals may also provide in-person or remote oral testimony via the Zoom link above.

All written testimony on agenda items received after posting of this agenda and up to 48 hours in advance of the meeting will be distributed to the board. Late testimony on agenda items will be distributed to the board at the beginning of the meeting.

All written testimony submitted are public documents. Therefore, any testimony that is submitted orally or in writing, electronically or in person, for use in the public meeting process is public information and will be posted on the board's website.

IV. Hiring of the Executive Director

A. Update on the Hiring of the Executive Director

V. Discussion on Legislation

- A. HB1800 Relating to the State Budget/SB2553 Relating to Hawaii Retirement Savings Act
- B. GM658 Brian Taniguchi

VI. Budget

A. FY2023-24 Fiscal Report

VII. Hawaii State Ethics Commission: Annual Financial Disclosure

VIII. Announcements

A. Next Meeting to be Determined

IX. Adjournment

If you need an auxiliary aid/service or other accommodation due to a disability, contact David Rodriguez at 808-586-8855 or via email at david.j.rodriguez@hawaii.gov as soon as possible. Requests made as early as possible have a greater likelihood of being fulfilled. Upon request, this notice is available in alternate/accessible formats.

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HAWAII RETIREMENT SAVINGS PROGRAM BOARD MEETING

MINUTES

February 15, 2024
3:00 p.m.

MEMBER ATTENDEES

Bill Kunstman, Department of Labor and Industrial Relations (DLIR), Director's Designee, Co-Chair
Luis Salaveria, Cho-Chair, Department of Budget & Finance (B&F)
Jessie "Keola" Dean, Member
Andrew Nomura, Member
Karen Yasukawa, Member

Others in attendance

Kristine K. Reitan, DLIR (Secretary)
Michael Moriyama, Department of the Attorney General
Keali'i Lopez, AARP
Audry Suga-Nakagawa, AARP
Andi Pawasarat-Losalio

I. Call Meeting to Order

Co-Chair Kunstman called the meeting to order at 3:00 p.m.

II. Approval of the Minutes of the December 15, 2023, Meeting

Co-Chair Kunstman inquired if there were any corrections to the minutes of December 15th, 2023, meeting that had been distributed. Hearing none, the minutes were approved.

III. Public Comment Period

No public comments were provided.

IV. Executive Session (Closed to the public)

Member Nomura moved to convene into executive session, seconded by member Dean, with all members present voting in the affirmative, the board approved convening in executive session to consider the hire, evaluation, dismissal, or discipline of an officer or employee, where consideration of matters affecting privacy will be involved, pursuant to Section 92-5(a)(2), Hawaii Revised Statutes (HRS)) for the hiring of the Executive Director pursuant to section 389-3(f), HRS.

The meeting recessed at 3:05 p.m.

Co-Chair Kunstman called the meeting back to order at 3:20 p.m. and announced that the board met in executive session to discuss the hiring of the executive director.

V. Hiring of the Executive Director

Co-Chair Kunstman announced that an offer to the top candidate by the selection panel was rejected by the candidate in the first week in January. The selection panel engaged virtually with the second ranked candidate during the second week of January, and based on those discussions decided against making an offer to the candidate. The job announcements are still posted on the Department of Labor and Industrial Relations job page as well as Department of Human Resources Development under their non-civil services announcements page.

Co-Chair Kunstman asked if the board members had any questions or comments regarding the selection of an Executive Director and solicited public input regarding the selection process.

Co-Chair Salaveria noted that he had met with the candidates and said they were of high caliber and had high qualifications. He also noted that the selection panel is struggling with meeting certain expectations on compensation but is hopeful that they could continue and find the right person. Co-Chair Bill Kunstman thanked Co-Chair Salaveria for his comments and also noted that more candidates might be interested if there were a change to the opt-in law as it may be difficult for the Executive Director to succeed with the way the current law is written.

Co-Chair Kunstman solicited testimony from the public.

Andi Pawasarat-Losalio asked if the board could hire an interim Executive Director while the board is looking for a permanent one so some of the basic functions can move forward. Co-Chair Kunstman replied that it is possible to hire someone temporarily and noted another suggestion that has been made is that until the of hiring an Executive Director a temporary program specialist could be hired to help with the operations of the board, which he noted would be discussed later on per the agenda.

Keali'i Lopez commented that people currently working for the state that do this type of work may not have applied for the opening because of the budgeted amount. She mentioned that compensation is a factor with local candidates.

VI. Discussion on Legislation

A. HB2197/SB2553 Relating to Hawaii Retirement Savings Act

Co-Chair Kunstman stated these proposals require employers to automatically enroll employees in the Hawaii Retirement Savings Program and allow employees to opt-out instead of opt-in to the program. The measures also make a housekeeping amendment to the definition of covered employer, which aligns with the purpose of the original Act to provide a state-facilitated payroll deduction retirement savings program for private sector employees who do not have access to employer sponsored retirement plans. Member Nomura asked what the difference between the two measurers was. Co-Chair Kunstman replied that the measures were essentially identical as they are companion measures. Due to the different drafting agencies, there

may be slightly different technical amendments. Both measures have had hearings in both chambers and are at the point where they are going to the last committee in the originating chambers, which are the money committees—Finance and Ways and Means.

Co-Chair Kunstman explained the legislative process for the bills and stated that one way or another the board should know no later than the end of April if there will be any changes to the statute.

Co-Chair Kunstman solicited testimony from the public and none was offered.

B. Board Approval of Automatic Enrollment with Opt-Out Policy.

Co-Chair Kunstman proposed a question to the board: Shall the Board support legislative proposals to change the Hawaii Retirement Savings Program statute to require employers to automatically enroll employees in the Hawaii Retirement Savings Program and allow employees to opt-out instead of opt-in to the program?

Co-Chair Kunstman solicited testimony from the public and none was offered.

Member Yasukawa shared her support as well as Co-Chair Salaveria and Member Dean. Member Dean moved a motion to have the board vote on supporting changing the statute to opt-out instead of opt-in and the motion was seconded by Member Nomura. There having been a motion that was moved and seconded, a vote was taken, and the motion carried with all members present voting in the affirmative.

C. Approval to Delegate Authority to Two Board Members Pursuant to 92-2.5(a), HRS, to Prepare and Submit Legislative Testimony, Talk to Legislators, and Attend Legislative Hearings in Accordance with Board Policy on HB2197/SB2553

Co-Chair Kunstman referred members to the packets regarding the Office of Information Practice (OIP) Guidance on the legislative process for boards and commissions. The Sunshine Law requirements make it difficult for boards to weigh in timely on legislative matters. The OIP has provided 7 different options, 3 of which involve Permitted Interaction Groups, one is delegation to staff (which there is none at this time), one for the counties, and an emergency meeting. That leaves OIP option #2 as the most efficient approach for the board should the board want to participate in the legislative process.

Member Nomura asked if it would be helpful. Co-Chair Kunstman replied that he believed so and Co-Chair Salaveria also stated it would definitely be helpful. Co-Chair Kunstman referenced what Senator Moriwaki had said in a previous board meeting when she mentioned that it was more powerful when boards came before a committee to advocate for legislation. The other usual option for boards is to delegate to staff, however, currently there is no staff. Member Dean asked if the board was required to identify the individuals on the PIG if that was a route the board wanted to pursue. Co-Chair Kunstman responded yes, if the board wanted to use the PIG route that would be the

whole PIG process and the board would have to have a meeting, establish the purpose and the scope, identify the individuals, then have a subsequent meeting to vote on it and at that point a PIG could operate for legislative purposes.

It was further clarified that two board members have to be identified by name should the board chose to delegate authority to have two members participate in the legislative process.

Member Dean asked if board members not present at the meeting could be assigned the delegation. AG Moriyama clarified that by statute the board could identify board members that are not present at the board meeting.

Co-Chair Kunstman then opened the discussion for public testimony. Audrey Suga-Nakagawa suggested that it would be good to have someone with some technical expertise especially in the area of retirement savings. Keali'i Lopez stated what the board might want to consider is that if the bill changes drastically, whether the board is going to want to engage in the legislative process and which board members might have the biggest impact.

Member Nomura moved to delegate authority to Co-Chair Kunstman and Member Taniguchi to represent the board before the legislature regarding HB2197/SB2553 and the motion was seconded by Member Dean. Co-Chair Kunstman solicited discussion from the board and then the public, and none was offered.

There having been a motion that was moved and seconded, a vote was taken, and the motion carried with all members present voting in the affirmative.

AG Moriyama suggested the board also deliberate upon the amendments in the bills to the covered employer definition.

Member Yasukawa made a motion to approve of the amendments in the bill to the covered employer definition, which was seconded by Member Nomura.

Co-Chair Kunstman solicited testimony from the public and none was offered.

There having been a motion that was moved and seconded, a vote was taken, and the motion carried with all members present voting in the affirmative.

VII. FY2024 Budget

A. FY 2023-24 Fiscal Report

Co-Chair Kunstman referred to the board packet for members to see the report from the Administrative Services Office (ASO), which is the fiscal unit in the department. The report shows the general fund appropriation and how much has been spent so far this fiscal year (\$3,105.41). The report reflects the money that was spent for the recruitment process to bring two candidates to Hawaii and no other expenses have been recorded. Co-Chair

Kunstman did learn from ASO that the AG has provided 5.6 hours of legal services to the board but has yet to receive the charges from the Department of the Attorney General. He explained that those charges should be reflected at a future meeting and that the hourly rate is unknown at this time, but those hourly charges should not be exorbitant.

Co-Chair Kunstman solicited testimony from the public and none was offered.

VIII. Hiring

A. Program Specialist Recruitment

Co-Chair Kunstman mentioned that the board previously approved a position description for the program specialist per the statutory requirement for the board to approve of position descriptions. Co-Chair Kunstman had previously asked AG Moriyama if the board could hire the position and not the person and the answer is the board needs to approve of hiring a person not a position, even for a temporary hire.

Co-Chair Kunstman stated that the temporary position is posted at the DLIR's as well as the Department of Human Resources websites. Previous board discussions involved waiting on the Executive Director to hire the other staff but perhaps hiring a temporary staff to help with board operations until such a time that an Executive Director was onboarded and could hire the permanent staff would facilitate board operations.

Board member Yasukawa inquired as to the work to be performed by the temporary staff. Co-Chair Kunstman said at this time it would be limited to board meetings and related duties including minutes, agendas, etc.

Co-Chair Kunstman solicited testimony from the public and none was offered.

IX. Announcements

No announcements were offered by the board or members of the public.

A. Next meeting to be determined.

X. Adjournment

There being no further business, Co-Chair Kunstman adjourned the meeting at 4:05 p.m.

SB2553 SD1 HD2



Measure Title: RELATING TO HAWAII RETIREMENT SAVINGS ACT.

Report Title: Hawai'i Retirement Savings Act; Hawai'i Retirement Savings Program; Covered Employer; Definition; Automatic Enrollment; Opt-out Option

Description: Clarifies the definition of "covered employer" under the Hawai'i Retirement Savings Act. Requires covered employers to automatically enroll covered employees into the Hawai'i Retirement Savings Program unless the employee chooses to opt out. Repeals and lapses the funds appropriated into and out of the Hawai'i Retirement Savings Special Fund in Act 296, Session Laws of Hawai'i 2022. Effective 7/1/3000. (HD2)

Companion: [HB2197](#)

Package: None

Current Referral: LGO, FIN

Introducer(s): MORIWAKI, CHANG, DECOITE, FEVELLA, Kim, San Buenaventura

Sort by Date Status Text

4/15/2024	H	Received notice of Senate conferees (Sen. Com. No. 678).
4/15/2024	S	Senate Conferees Appointed: Aquino Chair; Kanuha Co-Chair; Fevella.
4/11/2024	H	Received notice of disagreement (Sen. Com. No. 673).
4/11/2024	S	Senate disagrees with House amendments.
4/11/2024	S	Received from House (Hse. Com. No. 704).
4/9/2024	H	Passed Third Reading as amended in HD 2 with none voting aye with reservations; Representative(s) Garcia, Pierick voting no (2) and none excused (0). Transmitted to Senate.
4/5/2024	H	Forty-eight (48) hours notice Tuesday, 04-09-24.
4/5/2024	H	Reported from FIN (Stand. Com. Rep. No. 1830-24) as amended in HD 2, recommending passage on Third Reading.
4/2/2024	H	The committee on FIN recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 15 Ayes: Representative(s) Yamashita, Kitagawa, Aiu, Chun, Cochran, Garrett, Kahaloa, Kila, Lamosao, Morikawa, Nishimoto, Poepoe, Takenouchi, Alcos, Ward; Ayes with reservations: none; 0 Noes: none; and 1 Excused: Representative(s) Kobayashi.



3/29/2024	H	Bill scheduled to be heard by FIN on Tuesday, 04-02-24 2:30PM in House conference room 308 VIA VIDEOCONFERENCE.	
3/19/2024	H	Passed Second Reading as amended in HD 1 and referred to the committee(s) on FIN with none voting aye with reservations; none voting no (0) and Representative(s) Belatti, Hashem, Kong, Sayama excused (4).	
3/19/2024	H	Reported from LGO (Stand. Com. Rep. No. 1165-24) as amended in HD 1, recommending passage on Second Reading and referral to FIN.	
3/14/2024	H	The committee on LGO recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 4 Ayes: Representative(s) Matayoshi, Garrett, Martinez, Tam; Ayes with reservations: none; Noes: none; and 3 Excused: Representative(s) Kapela, Sayama, Alcos.	
3/11/2024	H	Bill scheduled to be heard by LGO on Thursday, 03-14-24 9:15AM in House conference room 309 VIA VIDEOCONFERENCE.	
3/7/2024	H	Referred to LGO, FIN, referral sheet 16	
3/7/2024	H	Pass First Reading	
3/5/2024	H	Received from Senate (Sen. Com. No. 148) in amended form (SD 1).	
3/5/2024	S	Report adopted; Passed Third Reading. Ayes, 25; Aye(s) with reservations: none . Noes, 0 (none). Excused, 0 (none). Transmitted to House.	
3/1/2024	S	One Day Notice 03-05-24.	
3/1/2024	S	Reported from WAM (Stand. Com. Rep. No. 3008) with recommendation of passage on Third Reading.	
3/1/2024	S	The committee(s) on WAM recommend(s) that the measure be PASSED, UNAMENDED. The votes in WAM were as follows: 12 Aye(s): Senator(s) Dela Cruz, Moriwaki, Aquino, DeCoite, Hashimoto, Inouye, Kanuha, Kidani, Kim, Lee, Wakai, Fevella; Aye(s) with reservations: none ; 0 No(es): none; and 1 Excused: Senator(s) Shimabukuro.	
2/28/2024	S	The committee(s) on WAM will hold a public decision making on 03-01-24 9:55AM; Conference Room 211 & Videoconference.	
2/13/2024	S	Report adopted; Passed Second Reading, as amended (SD 1) and referred to WAM.	
2/13/2024	S	Reported from LBT (Stand. Com. Rep. No. 2266) with recommendation of passage on Second Reading, as amended (SD 1) and referral to WAM.	
2/2/2024	S	The committee(s) on LBT recommend(s) that the measure be PASSED, WITH AMENDMENTS. The votes in LBT were as follows: 5 Aye(s): Senator(s) Aquino, Moriwaki, Ihara, Fevella, Lee; Aye(s) with reservations: none ; 0 No(es): none; and 0 Excused: none.	
1/30/2024	S	The committee(s) on LBT has scheduled a public hearing on 02-02-24 3:10PM; CR 224 & Videoconference.	
1/24/2024	S	Referred to LBT, WAM.	
1/22/2024	S	Passed First Reading.	



S = Senate | **H** = House | **D** = Data Systems | **\$** = Appropriation measure | **ConAm** = Constitutional Amendment



Some of the above items require Adobe Acrobat Reader. Please visit [Adobe's download page](#) for detailed instructions.

SB2553 SD1 HD2

A BILL FOR AN ACT

RELATING TO HAWAII RETIREMENT SAVINGS ACT.

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

- 1 SECTION 1. The purpose of this Act is to:
- 2 (1) Clarify the definition of "covered employer" in the
- 3 Hawaii Retirement Savings Act;
- 4 (2) Amend and align provisions of the Hawaii retirement
- 5 savings program, the state-facilitated payroll-
- 6 deduction retirement savings plan for private sector
- 7 employees in Hawaii who do not have access to
- 8 employer-sponsored retirement plans, to require
- 9 automatic enrollment unless the employee opts out; and
- 10 (3) Repealing and lapsing the funds appropriated into and
- 11 out of the Hawaii retirement savings special fund in
- 12 Act 296, Session Laws of Hawaii 2022.

13 SECTION 2. Section 389-2, Hawaii Revised Statutes, is

14 amended by amending the definition of "covered employer" to read

15 as follows:



1 "Covered employer" means any person who is in business in
2 the State and has one or more individuals in employment.

3 "Covered employer" does not include:

4 (1) The United States;

5 (2) The State or any of its political subdivisions; or

6 (3) A person that has [~~been maintaining~~] offered or
7 maintained for some or all employees at any time
8 during the preceding two years a retirement plan that
9 is tax-qualified under or is described in and
10 satisfies the requirements of section 401(a), 401(k),
11 403(a), 403(b), 408(k), or 408(p) of the Internal
12 Revenue Code."

13 SECTION 3. Section 389-4, Hawaii Revised Statutes, is
14 amended by amending subsections (a) and (b) to read as follows:

15 "(a) The board shall have powers and duties in accordance
16 with law to:

17 (1) Establish, implement, and maintain the program;

18 (2) Cause the program and arrangements and accounts
19 established under the program to be designed,
20 established, and operated:



- 1 (A) In accordance with best practices for retirement
- 2 savings vehicles;
- 3 (B) To encourage participation, saving, sound
- 4 investment practices, and appropriate selection
- 5 of default investments;
- 6 (C) To maximize simplicity and ease of administration
- 7 for employers;
- 8 (D) To minimize costs, including by collective
- 9 investment and other measures to achieve
- 10 economies of scale and other efficiencies in
- 11 program design and administration;
- 12 (E) To promote portability of benefits; and
- 13 (F) To avoid preemption of the program by federal
- 14 law;
- 15 (3) Arrange for collective, common, and pooled investment
- 16 of assets of the program;
- 17 (4) Determine the eligibility of an employer, employee, or
- 18 other individual to participate in the program;
- 19 (5) Ensure the program's compliance with all applicable
- 20 laws and regulations;



- 1 (6) Establish procedures for the timely and fair
- 2 resolution of participant and other disputes related
- 3 to accounts or program operation;
- 4 (7) Develop and implement:
- 5 (A) An investment policy that defines the program's
- 6 investment objectives and that is consistent with
- 7 the objectives of the program; and
- 8 (B) Other policies and procedures consistent with
- 9 those investment objectives;
- 10 (8) Cause expenses incurred to initiate, implement,
- 11 maintain, and administer the program to be paid from
- 12 the program and other available sources;
- 13 (9) Establish and collect application, account, and
- 14 administrative fees;
- 15 (10) Accept grants, gifts, donations, legislative
- 16 appropriations, loans, and other moneys from the
- 17 State, any unit of federal, state, or local
- 18 government, or any other person to defray the costs of
- 19 administering and operating the program;



- 1 (11) Enter into contracts pursuant to chapter 103D for
- 2 services that the board deems necessary to carry out
- 3 the purposes of this chapter, including:
- 4 (A) Services of private and public financial
- 5 institutions, depositories, consultants,
- 6 actuaries, counsel, auditors, investment
- 7 advisors, investment administrators, investment
- 8 management firms, other investment firms, third-
- 9 party administrators, other professionals and
- 10 service providers;
- 11 (B) Research, technical, financial, administrative,
- 12 and other services; and
- 13 (C) Services of other state agencies to assist the
- 14 board in the exercise of its powers and duties;
- 15 (12) Develop and implement an outreach plan to gain input
- 16 and disseminate information regarding the program and
- 17 retirement savings in general;
- 18 (13) Cause moneys to be held and invested and reinvested
- 19 under the program;
- 20 (14) Ensure that all contributions to individual retirement
- 21 accounts under the program may be used only to:



- 1 (A) Pay benefits to participants under the program;
- 2 (B) Pay the cost of administering the program; and
- 3 (C) Make investments for the benefit of the program;
- 4 provided that no assets of the program shall be
- 5 transferred to the general fund of the State or
- 6 to any other fund of the State or otherwise
- 7 encumbered or used for any purpose other than
- 8 those specified in this paragraph;
- 9 (15) Provide for the payment of costs of administration and
- 10 operation of the program;
- 11 (16) Evaluate the need for and, if the board deems
- 12 necessary, procure:
- 13 (A) Insurance against any and all loss in connection
- 14 with the property, assets, or activities of the
- 15 program; and
- 16 (B) Pooled private insurance;
- 17 (17) Indemnify, including procurement of insurance if and
- 18 as needed for this purpose, each board member from
- 19 personal loss or liability resulting from the member's
- 20 action or inaction as a board member;



1 (18) Collaborate with and evaluate the role of financial
2 advisors or other financial professionals, including
3 in assisting and providing guidance for covered
4 employees; [~~and~~]

5 (19) Reimburse, when appropriate, the general fund of the
6 State of Hawaii for the initial expenses incurred for
7 initiating, implementing, maintaining, and
8 administering the program; and

9 (20) Take any other action the board deems reasonably
10 necessary to carry out the purpose of this chapter.

11 (b) The board may develop and disseminate information
12 designed to educate covered employees about the impacts of
13 [~~opting in to~~] the program on take-home pay, savings strategies,
14 and the benefits of planning and saving for retirement to help
15 covered employees in deciding whether to participate and at what
16 level participation may be appropriate."

17 SECTION 4. Section 389-5, Hawaii Revised Statutes, is
18 amended as follows:

19 1. By amending its title to read:



1 "~~[+]§389-5[+]~~ Hawaii retirement savings program; due
2 diligence; establishment; payroll deduction [~~upon election to~~
3 ~~contribute~~]."

4 2. By amending subsections (d) to (f) to read:

5 "(d) [~~Any covered employee may elect to contribute a~~
6 ~~portion of the employee's salary or wages to an individual~~
7 ~~retirement account provided by the program through payroll~~
8 ~~deduction.~~] Each covered employer shall enroll its covered
9 employees in the program and withhold payroll deduction
10 contributions from each covered employee's paycheck unless the
11 covered employee has elected not to contribute.

12 (e) Beginning on a date to be determined by the board
13 pursuant to subsection (a), a covered employer shall:

14 (1) [~~Allow a~~] Automatically enroll covered [~~employee to~~
15 ~~enroll~~] employees into the program after [~~providing~~]
16 the program administrator provides the [~~covered~~
17 ~~employee~~] employees with a written notice of the
18 [~~employee's~~] right of the employees to opt [~~in,~~] out;
19 and



1 (2) For any covered employee who [~~has opted in to~~] is
2 enrolled into the program[+], a covered employer
3 shall:

4 (A) Withhold the covered employee's contribution
5 amount from the employee's salary or wages; and

6 (B) Transmit the covered employee's payroll deduction
7 contribution to the program on the earliest date
8 the amount withheld can reasonably be segregated
9 from the covered employer's assets, but no later
10 than the fifteenth day of the calendar month
11 following the month in which the covered
12 employee's contribution amounts are withheld.

13 (f) The program shall establish for each enrolled employee
14 a Roth IRA, into which the contributions deducted from [~~an~~] the
15 employee's payroll shall be deposited. The board may add an
16 option for all participants to affirmatively elect to contribute
17 to a traditional IRA in addition to or in lieu of a Roth IRA."

18 SECTION 5. Section 389-14, Hawaii Revised Statutes, is
19 amended by amending subsection (a) to read as follows:



1 "(a) Any covered employer who fails to enroll a covered
2 employee into the program in accordance with section 389-5(e)(1)
3 without equitable justification shall be liable:

4 (1) To the covered employee, in an amount equal to the
5 contribution amount that would have been made by the
6 employee into the program and interest at a rate of
7 six per cent per year on the contribution amount,
8 beginning from the date the contribution would have
9 been made into the account; provided that the sum of
10 the contribution amount and interest thereto shall be
11 transmitted by the covered employer to the program to
12 be paid into the covered employee's IRA; and

13 (2) A penalty of:

14 (A) \$25 for each month the covered employee was not
15 enrolled in the program; and

16 (B) \$50 for each month the covered employee continues
17 to be unenrolled in the program after the date on
18 which a penalty has been assessed with respect to
19 the covered employee who ~~[had elected to~~
20 ~~participate]~~ should have been enrolled in the
21 program."



1 SECTION 6. Act 296, Session Laws of Hawaii 2022, is
2 amended by amending section 6 to read as follows:

3 ~~"SECTION 6. [There is appropriated out of the general~~
4 ~~revenues of the State of Hawaii the sum of \$25,000,000 or so~~
5 ~~much thereof as may be necessary for fiscal year 2022-2023 to be~~
6 ~~deposited into the Hawaii retirement savings special fund.~~

7 ~~There is appropriated out of the Hawaii retirement savings~~
8 ~~special fund the sum of \$25,000,000 or so much thereof as may be~~
9 ~~necessary for fiscal year 2022-2023 for the State to make~~
10 ~~matching contributions of up to \$500 to the accounts of the~~
11 ~~first 50,000 covered employees who participate in the Hawaii~~
12 ~~retirement savings program for twelve consecutive months after~~
13 ~~initial enrollment.] Repealed."~~

14 SECTION 7. Act 296, Session Laws of Hawaii 2022, section
15 6, in the amount of \$25,000,000, or balance thereof, general
16 funds unallotted, allotted, encumbered, and unrequired, is
17 hereby lapsed.

18 SECTION 8. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 9. This Act shall take effect on July 1, 3000.



Report Title:

Hawaii Retirement Savings Act; Hawaii Retirement Savings Program; Covered Employer; Definition; Automatic Enrollment; Opt-out Option

Description:

Clarifies the definition of "covered employer" under the Hawaii Retirement Savings Act. Requires covered employers to automatically enroll covered employees into the Hawaii Retirement Savings Program unless the employee chooses to opt out. Repeals and lapses the funds appropriated into and out of the Hawaii Retirement Savings Special Fund in Act 296, Session Laws of Hawaii 2022. Effective 7/1/3000. (HD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



Program ID: LBR902 GENERAL ADMINISTRATION
Structure #: 020402000000
Subject Committee: LGO LABOR & GOVERNMENT OPERATIONS

SEQ #	HB300 CD1						HB300 GM						
	FY24		Amt	FY25		Amt	FY24		Amt	FY25		Amt	
Perm	Temp	Perm		Temp	Perm		Temp	Perm		Temp	Perm		Temp
16.83	0.46	1,667,498	16.83	0.46	1,667,498	A	16.83	0.46	1,667,498	16.83	0.46	1,667,498	A
		200,000			200,000	B			200,000			200,000	B
32.17	1.54	3,286,941	32.17	1.54	3,286,941	P	32.17	1.54	3,286,941	32.17	1.54	3,286,941	P
49.00	2.00	5,154,439	49.00	2.00	5,154,439		49.00	2.00	5,154,439	49.00	2.00	5,154,439	

- 1

OBJECTIVE: TO ENHANCE PROGRAM EFFECTIVENESS AND EFFICIENCY BY FORMULATING POLICIES, DIRECTING OPERATIONS AND PERSONNEL, AND PROVIDING OTHER ADMINISTRATIVE AND HOUSEKEEPING SERVICES.

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4-001 237,496 363,511 A

EXECUTIVE BUDGET PREP:
ADD FUNDS FOR COLLECTIVE BARGAINING COSTS.

237,496 363,511 A

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213-001 3.00 1,248,772 3.00 259,064 A

GOVERNOR'S MESSAGE (2/13/23):
ADD POSITIONS AND FUNDS FOR GENERAL ADMINISTRATION (LBR902/AA).

LEGISLATURE CONCURS.

DETAIL OF GOVERNOR'S REQUEST:

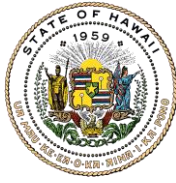
- (1) TEMP EXECUTIVE DIRECTOR (#94921L; 1.00; FY24: 100,000; FY25: 105,000)
- (1) TEMP PROGRAM SPECIALIST SR24 (#94922L; 1.00; FY24: 76,788; FY25: 79,872)
- (1) TEMP SECRETARY SR16 (#94923L; 1.00; FY24: 54,984; FY25: 57,192)
- ACTUARIAL STUDY OF RETIREMENT SAVINGS PROGRAMS (FY24: 1,000,000)
- COMPUTER SOFTWARE/LICENSES (2,000)
- TRAVEL (15,000)

3.00 1,248,772 3.00 259,064 A

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- TRAVEL (15,000)



HAWAI‘I STATE ETHICS COMMISSION

State of Hawai‘i · Bishop Square, 1001 Bishop Street, ASB Tower 970 · Honolulu, Hawai‘i

FINANCIAL DISCLOSURES E-FILING QUICK GUIDE FOR FILERS

1. Go to <https://hawaiiethics.force.com/disclosures/s/>.

Do not use Internet Explorer. We recommend Google Chrome or Mozilla Firefox.

2. **Log in to your existing account, or sign up for an account if you are a new filer**

- a. **Already have an account?** Click **LOGIN** and enter your email and password.

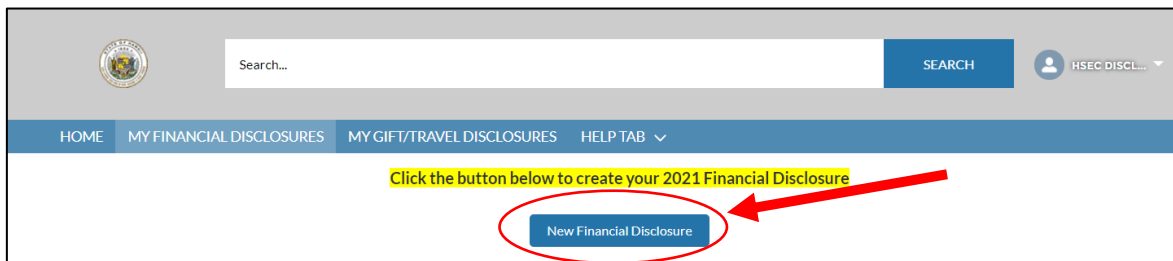
Forgot your password? Click **Forgot Your Password?** (then check your email to reset your password).

- b. **New User?** Click **LOGIN** and **SIGN UP** to create an account (then check your email to complete your account set up).

3. Once you are logged in, click **MY FINANCIAL DISCLOSURES** on the menu bar.

4. Click on **NEW FINANCIAL DISCLOSURE** (blue button).

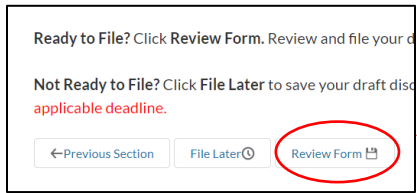
If you filed last year, do not click on your previous filing. You need to create a **new** disclosure. If you click on your old disclosure, you will be amending over your old filing and you will not meet the annual filing requirement for this year.



5. **Complete each section.** Please report financial interests, including income; business ownership; stocks, bonds, and mutual funds; officer or director positions in for-profit or non-profit business; real property; loans; names of clients assisted or represented before state agencies; and creditor interests in an insolvent business. Financial disclosure filers are required to report their own financial interests, as well as those held by a spouse or dependent child.

New Reporting Requirement as of 9/15/2020: Pursuant to Act 39, you must report the names of all clients assisted or represented before a state agency for a fee/compensation during the disclosure period (excluding ministerial actions and court proceedings).

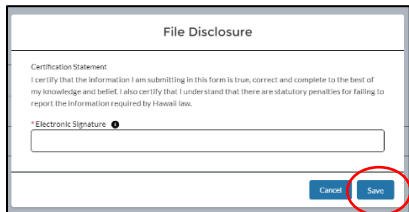
6. To file your form:



STEP 1: Click **REVIEW FORM**
Review and make final edits on the next page

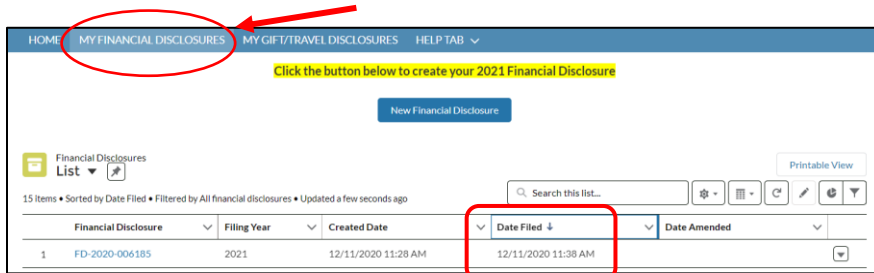


STEP 2: Click **FILE DISCLOSURE**



STEP 3: Type your name in the Electronic Signature field and click **SAVE** to file your form

7. To check if your form was filed: click **MY FINANCIAL DISCLOSURES** tab to see your list of disclosures in your account – your disclosure should be listed with the date & time when it was filed. You will also get a confirmation e-mail – check your junk or spam folder if you don't see it.



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