

Honolulu, Hawaii

FEB 28 2025

RE: S.B. No. 935
S.D. 2

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

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 935, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO GOVERNMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to amend various provisions of the Employees' Retirement System.

Specifically, this measure:

- (1) Reduces the retirement allowance multiplier from three percent to one and three quarters percent for judges who have credited service after January 31, 2025;
- (2) Increases the retirement compensation computations of sheriffs and deputies to match those of police officers and other related positions;
- (3) Reduces the minimum number of years of credited service that certain qualified members must have to be eligible for vested benefit status for service retirement allowance purposes; and
- (4) Increases employer contributions for normal costs and accrued liability for certain groups.



Your Committee received testimony in support of this measure from the Office of the Governor, Department of Labor and Industrial Relations, Hawaii State Teachers Association, and Hawaii State AFL-CIO.

Your Committee received testimony in opposition to this measure from the Judiciary.

Your Committee received comments on this measure from the Hawaii Employer-Union Health Benefits Trust Fund, Department of Budget and Finance, and Employees' Retirement System of the State of Hawaii.

Your Committee finds that making changes to retirement benefits for judges prospective will help to eliminate potential legal challenges based on any potential retroactive effect. Your Committee also finds that increasing, from fewer than five years to five years or more, the amount of credited service required for certain former class H members to be paid upon forfeiture of credited service will make both tiers of the Class H members in the Hybrid Plan consistent.

Your Committee has amended this measure by:

- (1) Making the new retirement allowance percentage for judges applicable only to members who first earn credited service as a judge after June 30, 2025;
- (2) Increasing, from fewer than five years to five years or more, the amount of credited service required for certain former class H members to be paid upon forfeiture of credited service; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 935, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 935, S.D. 2, and be placed on the calendar for Third Reading.



Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
 Thirty-Third Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 985 SD1	Committee Referral: WAM	Date: 2-26-2025		
<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				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
MORIWAKI, Sharon Y. (VC)	X			
AQUINO, Henry J.C.	X			
DECOITE, Lynn	X			
ELEFANTE, Brandon J.C.	X			
HASHIMOTO, Troy N.	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	13	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes