

STAND. COM. REP. NO.

181

Honolulu, Hawaii

Feb 10, 2011

RE: H.B. No. 1111
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Human Services, to which was referred H.B. No. 1111 entitled:

"A BILL FOR AN ACT RELATING TO MILITARY BENEFITS,"

begs leave to report as follows:

The purpose of this bill is to prohibit courts, when determining awards relating to the dissolution of marriage, from:

- (1) Considering any federal veterans disability benefits;
- (2) Indemnifying the veteran's spouse or former spouse for any prejudgment or postjudgment waiver or reduction in military retirement or retainer pay related to receipt of the disability benefits; or
- (3) Awarding any other income or property of the veteran to the veteran's spouse or former spouse for any prejudgment or postjudgment waiver or reduction in military retirement or retainer pay related to receipt of the disability benefits.

The Oahu Veterans Council and a concerned individual testified in support of this bill. The Family Law Section of the Hawaii State Bar Association opposed this measure.

HB1111 HD1 HSCR HUS HMS 2011-1955



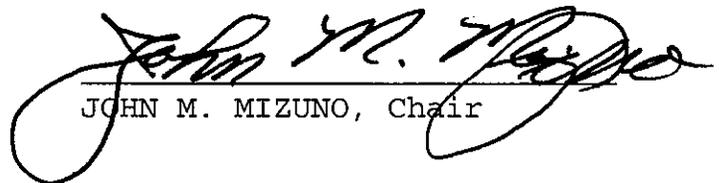
Your Committee notes the concerns raised in testimony regarding federal law pertaining to permanent disability retirement. According to testimony, permanent disability retirement is non-divisible in divorce. While most service members do not qualify for permanent disability retirement, they may qualify for VA disability compensation, which is also not divisible in divorce. Testimony also stated that pursuant to Hawaii case law disability compensation could not be used as the basis for an award to the spouse unless voluntarily agreed to by the service member.

Although your Committee recognizes the concerns raised in testimony, including that this measure may not be necessary, it would like to ensure that this bill is examined further to take all positions into consideration.

Accordingly, your Committee has amended this bill by changing the effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1111, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1111, H.D. 1, and be referred to the Committee on Public Safety & Military Affairs.

Respectfully submitted on
behalf of the members of the
Committee on Human Services,


JOHN M. MIZUNO, Chair



