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**STATE OF HAWAII  
EMPLOYEES' RETIREMENT SYSTEM**

**TESTIMONY BY THOMAS WILLIAMS  
EXECUTIVE DIRECTOR, EMPLOYEES' RETIREMENT SYSTEM  
STATE OF HAWAII**

**TO THE SENATE COMMITTEE ON JUDICIARY AND LABOR  
ON**

**SENATE CONCURRENT RESOLUTION NO. 8 S.D.1  
AND  
SENATE RESOLUTION NO. 6 S.D.1**

**MARCH 14, 2016, 10:00 A.M.**

**AUTHORIZING THE FORMATION OF A TASK FORCE TO STUDY THE ISSUE OF A  
CANCER PRESUMPTIVE STATUTE RELATING TO FIREFIGHTERS**

Chair Keith-Agaran, Vice Chair Shimabukuro, and Members of the Committee,

S.C.R 8 S.D. 1 and S.R. 6 S.D. 1 would establish a task force to examine the issues related to cancer in the firefighting profession. The task force will include, amongst others, a representative of the Employees' Retirement System (ERS). One of its main objectives is to provide recommendations for revisions to the state workers' compensation laws, administrative rules and benefits for firefighters diagnosed with cancer.

As the ERS does not have a role in workers' compensation determinations, the ERS staff has no position on this resolution. To the extent our involvement in the proposed task force would be beneficial we would gladly participate.

An ancillary connection between workers' compensation and ERS benefits may be that ERS members are required to file for workers' compensation in order to submit a claim for ERS service-connected disability benefits. The approval of workers' compensation benefits, however, does not guarantee that a member will be approved for service-connected disability retirement and does not currently have any impact on the outcome of the disability application. Disability cases, including service connected disabilities, are reviewed by the ERS Medical Board which consists of three physicians. Recommendations by the Medical Board to the ERS



Employees' Retirement System  
of the State of Hawaii

Board of Trustees (Board) are based on medical records, reports and interviews with the claimant. Upon review, the Board may decide to approve, deny or remand Medical Board recommendations.

Section 88-79, HRS, provides for service-connected disability benefits for a member who is permanently incapacitated for duty as the natural and proximate result of an accident occurring while in the actual performance of duty or as the cumulative result of an occupational hazard. This section already includes a rebuttable presumption that firefighters, police officers and sewer workers who are permanently incapacitated for duty as a result of any disease of the heart, lungs, or respiratory system, contracted such disease while in the performance of duty and as the result of the inherent occupational hazard of exposure to smoke inhalation, toxic gases, chemical fumes, and other toxic vapors.

These benefits are typically higher than regular retirement benefits and have no minimum age or service requirements. As a word of caution, should the task force recommend legislation to obtain higher ERS benefits with additional cancer presumptive causes, the task force's mandate could result in the enhancement of benefits. This would be contrary to Act 29, Session Laws of Hawaii 2011, which placed a moratorium on retirement benefit enhancements until the ERS becomes fully funded. Any benefit enhancement would increase the ERS' existing \$8.7 billion unfunded liability and possibly require an increase in employer contributions.

Thank you for the opportunity to provide testimony on this resolution.