

# **S.B. NO. 2134**

JAN 24 2018

## **A BILL FOR AN ACT**

RELATING TO EMPLOYEE'S DESIGNATION OF BENEFICIARY FORM.

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

1       SECTION 1. Section 78-23, Hawaii Revised Statutes, is  
2 amended by amending subsection (c) to read as follows:

3       "(c) Upon discharge, an employee shall be entitled to all  
4 of the employee's accumulated vacation allowance plus the  
5 employee's current accrued vacation allowance to and including  
6 the date of discharge, notwithstanding that the current accrued  
7 vacation allowance may not have been recorded at the time. If  
8 any employee dies with accumulated or current accrued vacation  
9 earned but not taken, an amount equal to the value of the  
10 employee's pay over the period of such earned vacation, and any  
11 earned and unpaid wages, shall be paid to the person or persons  
12 who may have been designated as the beneficiary or beneficiaries  
13 by the employee during the employee's lifetime in a [~~verified~~  
14 ~~written~~] statement filed with the comptroller or other  
15 disbursing officer who issues warrants or checks to pay the  
16 employee for the employee's services as a public employee, or  
17 with the department in which the employee was employed, or,  
18 failing the designation, to the employee's estate."

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1       SECTION 2. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3       SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY: 

6

BY REQUEST

**S.B. NO. 2734**

**Report Title:**

Employee's Designation of Beneficiary Form

**Description:**

Amend section 78-23(c), Hawaii Revised Statutes, to allow the Employee's Designation of Beneficiary form to be kept in the department where the employee is employed and also to permit the designation to be filed and maintained electronically.

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

JUSTIFICATION SHEET

**SB. NO. 2734**

DEPARTMENT: Accounting and General Services

TITLE: A BILL FOR AN ACT RELATING TO EMPLOYEE'S DESIGNATION OF BENEFICIARY FORM.

PURPOSE: The purposes of this bill are to allow the Employee's Designation of Beneficiary form be kept in the department where the employee is employed and to permit the designation to be filed and maintained electronically.

MEANS: Amend section 78-23(c), Hawaii Revised Statutes.

JUSTIFICATION: The current statute requires the form to be written and verified (i.e., notarized) and filed with the Comptroller or other disbursing officer who issues checks to pay the employee for the work performed. This requirement has resulted in thousands of forms being maintained in a central location at the Department of Accounting and General Services. Maintaining the forms, which includes alphabetically filing forms from new employees, filing updated forms from current employees, and purging forms of employees no longer employed, is done manually and is extremely labor intensive. Allowing the forms to be filed in the department where the employee is employed provides a more efficient process. For example, in the current process, a list of terminated employees would be produced and staff utilizing the list would manually locate the form to be purged. By having the form kept in the employing department, the form as well as other payroll and personnel forms would routinely be discarded when these forms are no longer required.

The State is in the process of implementing a new payroll system that may be able to maintain beneficiary information entered by the employee. Section 78-23(c) is being amended to eliminate the requirement that the Employee's Designation of Beneficiary Form be written and verified (i.e., notarized) so that the information can be entered by the employee into the new system and maintained in an electronic format.

Impact on the public: None.

Impact on the department and other agencies:  
Minimal if the form is kept in the employee's personnel file, and none if the beneficiary information can be maintained by the new payroll system.

GENERAL FUND:

None.

PPBS PROGRAM  
DESIGNATION:

AGS 102.

OTHER AFFECTED  
AGENCIES:

All state departments and agencies.

EFFECTIVE DATE:

Upon approval.