

STAND. COM. REP. NO.

2861

Honolulu, Hawaii

FEB 14 2020

RE: S.B. No. 2867
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Labor, Culture and the Arts, to which was referred S.B. No. 2867 entitled:

"A BILL FOR AN ACT RELATING TO COMPENSATION FOR THE PURPOSES
OF THE EMPLOYEES' RETIREMENT SYSTEM,"

begs leave to report as follows:

The purpose and intent of this measure is to amend the definition of compensation for retirement benefits.

Your Committee received testimony in support of this measure from the Department of Budget and Finance and Employees' Retirement System. Your Committee received testimony in opposition to this measure from the Hawaii Government Employees Association, AFSCME Local 152.

Your Committee finds that this measure is necessary to clarify the definition of compensation eligible for the purposes of calculating retirement benefits. This clarification will ensure that retirement benefits are computed fairly and equitably for all public employees and to facilitate employer reporting of compensation on a consistent and timely basis.

Your Committee has heard the testimony of the Employees' Retirement System regarding clarification of the definition of compensation and Hawaii Government Employees Association relating



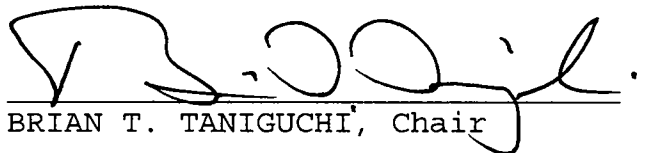
to shortage differentials. Your Committee finds that the testimony raised concerns that merit further consideration.

Your Committee has amended this measure by:

- (1) Incorporating amendments requested by the Hawaii Government Employees Association relating to "shortage differentials";
- (2) Incorporating amendments relating to clarification of "base compensation rate" as addressed by the Employees' Retirement System;
- (3) Changing its effective date to July 1, 2050, to encourage further discussion; and
- (4) 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 Labor, Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2867, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2867, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Labor, Culture and
the Arts,



BRIAN T. TANIGUCHI, Chair



