STAND. COM. REP. NO. 2828

Honolulu, Hawaii

FEB 1 4 2020

RE: S.B. No. 2868 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. 2868 entitled:

"A BILL FOR AN ACT RELATING TO QUALIFIED DOMESTIC RELATIONS ORDERS,"

begs leave to report as follows:

The purpose and intent of this measure is to clarify that:

- Hawaii Domestic Relations Orders apply to benefits that a Employees' Retirement System (ERS) member is expected to receive or is receiving;
- (2) Release of a member's ERS information may be initiated by a complaint for divorce or a divorce decree;
- (3) The ERS will notify the parties of the advisory review determination on proposed domestic relations orders;
- (4) A Hawaii Domestic Relations Order applied to a termination refund will not apply to any future return to work benefits;
- (5) Should a retirant be deceased within a year of retirement, any payments made to an alternate payee will be considered payments to the retirant, should the beneficiary select an alternative benefit option; and



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(6) The priority of multiple orders will be based upon the date of the receipt of the domestic relations order.

Your Committee received testimony in support of this measure from the State of Hawaii Employees' Retirement System.

Your Committee finds that the Employees' Retirement System will begin processing Hawaii Domestic Relations Orders to allow the Employees' Retirement System to make direct payments to alternate payees on July 1, 2020. In order to facilitate its implementation and to provide transparency regarding benefits payable to parties involved, there is need to specify the benefits payable and clarify the process of the qualification, approval, and application of Hawaii Domestic Relations Orders.

Your Committee has amended this measure by:

- Making clarifying amendments to the language of this measure;
- (2) Inserting an effective date to July 1, 2051, to encourage further discussion;
- (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 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. 2868, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2868, S.D. 1, and be referred to your Committee on Judiciary.

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

BRIAN T. TANIGUCHI, Chai



The Senate Thirtieth Legislature State of Hawai'i

Record of Votes Committee on Labor, Culture and the Arts LCA

Bill / Resolution No.:*	Committee Referral: Date:				
SB 2868	LCA, JDC			2/04/2020	
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
TANIGUCHI, Brian T. (C)		\checkmark			
IHARA, Jr., Les (VC)		V			
CHANG, Stanley		\checkmark			
GABBARD, Mike					
FEVELLA, Kurt					
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TOTAL		5	\bigcirc	$ 0 \rangle$	0
Recommendation:					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					
File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

*Only <u>one</u> measure per Record of Votes