

STAND. COM. REP. NO.

2862

Honolulu, Hawaii

FEB 14 2020

RE: S.B. No. 2870
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. 2870 entitled:

"A BILL FOR AN ACT RELATING TO EMPLOYEES' RETIREMENT SYSTEM
DISABILITY RETIREMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to clarify the requirements of service-connected disability retirement and accidental death benefits of the Employees' Retirement System.

Your Committee received testimony in support of this measure from the Department of Budget and Finance and Employees' Retirement System.

Your Committee finds that courts in several cases recently rendered rulings awarding Employees' Retirement System service-connected disability retirement and/or accidental death benefits in situations beyond the legislature's original intent. These rulings have required the Employees' Retirement System to provide service-connected disability retirement and/or accidental death benefits in amounts not contemplated when the ERS determined employer contributions, employee contributions, and employee benefits (including monthly retirement allowance benefits to be provided for an extended duration and at a higher rate, plus the refund of employee contributions), and consequently, the State's unfunded liability increased more than expected.




Furthermore, your Committee finds that Employees' Retirement System members are not foreclosed from collecting other benefits such as Employees' Retirement System service retirement, ordinary disability retirement, ordinary death, workers' compensation, or social security disability.

Your Committee respectfully notes that in "the spirit of the time" there is continued commitment of being responsible for our workers. Accordingly, your Committee has amended this measure by:

- (1) Clarifying the proximate result of an accident occurring "at a definite and exact time and place", in sections 88-79 and 88-336, Hawaii Revised Statutes;
- (2) Removing proposed language for holistic non-substantive changes;
- (3) Changing the effective date to January 1, 2051, 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. 2870, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2870, 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, Chair



