

STAND. COM. REP. NO. 1256

Honolulu, Hawaii

**MAR 25 2021**

RE: H.B. No. 670  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2021  
State of Hawaii

Sir:

Your Committee on Labor, Culture and the Arts, to which was referred H.B. No. 670, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to authorize the forfeiture of certain Employees' Retirement System (ERS) benefits, pursuant to court order, for state or county employees and their designated beneficiaries who are convicted of an employment-related felony.

Your Committee received testimony in support of this measure from Common Cause Hawaii and eight individuals. Your Committee received comments on this measure from the Employees' Retirement System.

Your Committee finds that public officers and employees are responsible for upholding the public's trust in government and democracy. The public's belief in government and democracy become strained when public officers and employees participate in misconduct in their employment while maintaining the benefits of their employment. Your Committee finds that while existing law requires an employee of the State or county who is convicted of a felony to have their employment terminated, the employee is still



entitled to receive benefits from the ERS. Public employees who have been convicted of a felony that is directly related to the employee's position or duties ultimately lose the trust of the public by misusing their position, and therefore, should no longer be eligible to receive benefits accrued during their employment with the State or county. Your Committee further finds that beneficiaries who were convicted of a felony based on the same set of circumstances as the member, former member, or retirant who was subject to forfeiture of their retirement benefits, should not be allowed to receive ERS benefits either. This measure will prohibit public employees and their designated beneficiaries from receiving ERS benefits should they be convicted of a felony relating to the public employees' employment, thereby demonstrating that the State takes the ethics of its employees seriously.

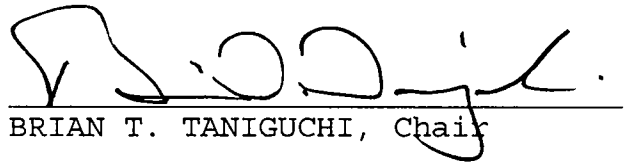
Your Committee has amended this measure by:

- (1) Clarifying that the court may decree a forfeiture of one-half of an ERS member, former member, or retirant's ERS benefits upon the individual's conviction of a felony related to individual's employment with the State or county;
- (2) Clarifying that upon the death of the convicted ERS member, former member, or retirant, the designated beneficiary may receive the reduced benefits to which the member, former member, or retirant would be entitled under this measure;
- (3) Clarifying that designated beneficiaries who have been convicted of a felony based on the same set of circumstances as the member, former member, or retirant, who was ordered to forfeit their ERS benefits under this measure shall not receive any ERS benefits;
- (4) Inserting an effective date of January 1, 2050, to encourage further discussion; and
- (5) 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 H.B. No. 670, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 670, H.D. 1, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.

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




BRIAN T. TANIGUCHI, Chair



The Senate  
Thirty-First Legislature  
State of Hawai'i

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

Bill / Resolution No.:*	Committee Referral:	Date:		
HB670, HD1	LCA, JDC/WAM	3/17/21		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TANIGUCHI, Brian T. (C)	✓			
IHARA, Jr., Les (VC)	✓			
CHANG, Stanley	✓			
KEOHOKALOLE, Jarrett	✓			
FEVELLA, Kurt	✓			
<b>TOTAL</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
<b>Distribution:</b>				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

\*Only one measure per Record of Votes