

Honolulu, Hawaii

FEB 19 2021

RE: S.B. No. 912
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 S.B. No. 912 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:

- (1) Authorize a court to order the forfeiture of one-half of the Employees' Retirement System (ERS) benefits of an ERS member, former member, or retirant upon conviction of the individual for a felony related to the state or county employment of the individual; and
- (2) Authorize designated beneficiaries to receive one-half of the ERS benefits to which the beneficiaries would otherwise be entitled upon the death of the ERS member, former member, or retirant convicted of the felony.

Your Committee received testimony in support of this measure from Common Cause Hawaii and seven individuals. Your Committee received comments on this measure from the ERS.

Your Committee finds that Hawaii is one of thirteen states, including the District of Columbia, that does not have any law that governs the forfeiture of public pensions for public



employees who are convicted of a felony. Your Committee believes that imposing a civil penalty against a public employee who commits a felony by misusing the individual's position of authority in government is justified. Your Committee also believes 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.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that upon the death of the convicted ERS member, former member, or retirant, the designated beneficiary shall receive the reduced benefits to which the member, former member, or retirant would be entitled;
- (2) Prohibiting the receipt of ERS benefits by 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;
- (3) Inserting an effective date of 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. 912, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 912, 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:		
SB 912	LCA, JDC/WAM	2-8-21		
<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	✓			
KEOHOKALOPE, Jarrett	✓			
FEVELLA, Kurt	✓			
TOTAL	5	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes