STAND. COM. REP. NO. 541

Honolulu, Hawaii

FEB 1 7 2023

RE: S.B. No. 1312

S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-Second State Legislature Regular Session of 2023 State of Hawaii

Sir:

Your Committee on Labor and Technology, to which was referred S.B. No. 1312 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 conditions under which service-connected disability and accidental death benefits are provided to members of the Employees' Retirement System.

Your Committee received testimony in support of this measure from the Employees' Retirement System and one individual.

Your Committee finds that the purpose of the State's service-connected disability retirement and accidental death provisions is to provide a unique set of benefits to compensate members in hazardous occupations who have incurred certain permanent injuries while in the performance of their duties, accidental death in the performance of their duties, and for the cumulative impact of exposure to occupational hazards. However, recent court rulings have awarded service-connected disability retirement and accidental death provisions in a similar manner as service retirement, ordinary disability retirement, ordinary death benefits, workers' compensation, and social security disability benefits. Not only is this interpretation of the State's service-

connected disability retirement and accidental death provisions beyond the Legislature's intent, but the awards under this interpretation are increasing the unfunded liabilities of the State. Your Committee further finds that this measure will not affect the current provision of service-connected disability retirement and accidental death benefits to existing members of the Employees' Retirement System.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 1, 2050, to encourage further discussion; and
- (2) 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 and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1312, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1312, 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 and Technology,

SHARON MORIWAKI, Chair

## The Senate Thirty-Second Legislature State of Hawai'i

## Record of Votes Committee on Labor and Technology LBT

Bill / Resolution No.:*	Committee Referral:			Date:		
5B1312	LBT, JDC/VAM			2/15/23		
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 (W	R)	Nay	Excused
MORIWAKI, Sharon Y. (C)		V				
LEE, Chris (VC)						V
IHARA, Jr., Les		V				
KEITH-AGARAN, Gilbert S.C.		V				
FEVELLA, Kurt		V				
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TOTAL		4	0		0	/
Recommendation:  Adopted  Not Adopted						
Chair's or Designee's Signature:						
<b>Distribution:</b> Original File with Committee Re	Yellow Pink Goldenrod eport Clerk's Office Drafting Agency Committee File Copy					

\*Only one measure per Record of Votes