

STAND. COM. REP. NO.

3131

Honolulu, Hawaii

MAR 20 2024

RE: H.B. No. 2382  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Labor and Technology, to which was referred H.B. No. 2382, 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 clarify the Employees' Retirement System's eligibility requirement definitions for service-connected disability and accidental death benefits.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations and Employees' Retirement System.

Your Committee finds that the purpose of the Employees' Retirement System (ERS) service-connected disability benefits is to compensate members who have been permanently incapacitated for duty as the natural and proximate result of an accident occurring while in the actual performance of duty at some definite time and place, or as the cumulative result of some occupational hazard. Your Committee also finds that these purposes significantly differ from the purposes and conditions of the State's Workers' Compensation Law, that is intended to provide compensation for all work-related injuries. In several recent cases, the Hawaii Supreme Court rendered rulings awarding ERS service-connected



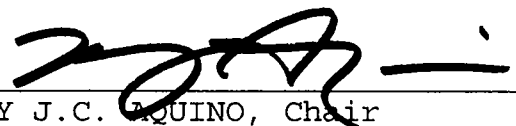
disability retirement and accidental death benefits beyond the Legislature's original intent, resulting in an unintended increase in ERS' unfunded liability as a whole. Therefore, this measure is necessary to preserve ERS' service-connected disability and accidental death benefits as originally intended and avoid unintended increases in the ERS unfunded liability.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 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 H.B. No. 2382, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2382, 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 and  
Technology,



HENRY J.C. AQUINO, Chair



