

JOSH GREEN, M.D.
GOVERNOR



THOMAS WILLIAMS
EXECUTIVE DIRECTOR

KANOE MARGOL
DEPUTY EXECUTIVE DIRECTOR

**STATE OF HAWAII
EMPLOYEES' RETIREMENT SYSTEM**

TESTIMONY BY THOMAS WILLIAMS
EXECUTIVE DIRECTOR, EMPLOYEES' RETIREMENT SYSTEM
STATE OF HAWAII
TO THE HOUSE COMMITTEES ON LABOR & GOVERNMENT OPERATIONS
AND CORRECTIONS, MILITARY, & VETERANS
ON
HOUSE BILL NO. 2395
February 14, 2024
9:10 A.M.
Conference Room 430 and VIA Videoconference

RELATING TO THE HAWAII NATIONAL GUARD.

Chairs Matayoshi and Hashem, Vice Chairs Garrett and Chun, and Members of the Committees,

H.B. 2395 proposes to exclude any member of the Hawaii National Guard (HING) who is ordered into State active duty (SAD) from membership in the Employees' Retirement System (ERS). It proposes a new Section in Chapter 88 of the Hawaii Revised Statutes (HRS) as well as amending the description of "Active service" under HRS § 121-29. The Employees' Retirement System (ERS) staff is providing the following comments.

Section 88-__ (a) of H.B. 2395 excludes all members of the HING under SAD orders from ERS membership. We recommend an amendment to clarify that the exclusion from ERS membership is based on employment through HING SAD orders, as opposed to HING membership. Section 88-__ (a) of H.B. 2395 may be amended to read as follows: "Notwithstanding section 88-42 or any other applicable sections in part II, VII, or VIII, ~~any~~ members of the national guard ~~who is~~ ordered into active duty to provide services to the State shall be ~~excluded from~~ ineligible for membership in the system ~~throughout~~ based on the [person's] active duty." This amendment has the effect of reinforcing that ERS membership may be maintained based on other State or county employment, and that ERS members on HING SAD orders may be eligible for service,



Employees' Retirement System
of the State of Hawaii

compensation to be included in benefits calculations (“eligible compensation”), and employer payment of employee contributions under HRS § 88-132.

We further recommend the removal of Section 88-__ (b) of H.B. 2395. Proposed subsection (b) is not necessary to clarify that existing ERS members will be entitled to benefits as if not on leave of absence, as the recommended revisions to subsection (a) above and subsection (c) below make clear that ERS membership may be maintained through other State and county employment, while suggested revisions to subsection (c) below make clear that existing ERS members on leave under HING SAD orders will not be precluded from service credits, eligible compensation, and employer payment of employee contributions under the Serviceman’s Act at HRS § 88-132.

Proposed subsection (b) also conflicts with the Serviceman’s Act at HRS § 88-132 in so far as HRS § 88-132 already provides for the reporting of compensation, earning of service credit, and payment of both employee and employer contributions by the employer, for all ERS members who are on qualified leave for involuntary active military duty, including HING involuntary active duty in service to the State. The proposed subsection (b) purports to have the member pay only the employee’s contributions for the period of active duty, which is normally shorter than the period of authorized leave, and which further conflicts with the requirement under HRS § 88-132 for the employer to provide both the employee’s contributions as well as the employer costs up to four years that the member was on qualified leave. The Uniformed Services Employment and Reemployment Rights Act (USERRA) grants rights to service credit for up to five years with the potential for qualified extensions beyond.

We also recommend amendment to subsection (c) of H.B. 2395, to explicitly enumerate service credit pursuant to the Serviceman’s Act at HRS § 88-132 as a benefit from which existing ERS members under HING SAD orders will not be precluded by virtue of subsection (a). Section 88-__ (c) of H.B. 2395, may be amended to read as follows: “This section shall not preclude any member of the Hawaii national guard who [~~becomes~~] is an employee of the State or any county, in a position other than as a member of the Hawaii national guard ordered into active duty to provide services to the State, from membership in the system pursuant to section 88-42, or being credited with membership service credit for active military service pursuant to 88-132 and 88-132.5.”

Thank you for the opportunity to provide testimony on H.B. 2395.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



KENNETH S. HARA
DIRECTOR OF EMERGENCY
MANAGEMENT

JAMES DS. BARROS
ADMINISTRATOR OF
EMERGENCY MANAGEMENT

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF DEFENSE
KA 'OIHANA PILI KAUA
HAWAI'I EMERGENCY MANAGEMENT AGENCY
4204 DIAMOND HEAD ROAD
HONOLULU, HAWAI'I 96816-4420

LATE

STATE OF HAWAI'I
DEPARTMENT OF DEFENSE
HAWAI'I EMERGENCY MANAGEMENT AGENCY

TESTIMONY ON HOUSE BILL 2395,
RELATING TO EMERGENCY MANAGEMENT

BEFORE THE HOUSE COMMITTEE ON
LABOR AND GOVERNMENT OPERATIONS

BY

JAMES DS. BARROS
ADMINISTRATOR
HAWAI'I EMERGENCY MANAGEMENT AGENCY

FEBRUARY 14, 2024

Aloha Chair Matayoshi, Vice-Chair Garrett, and Members of the Committee:

Thank you for the opportunity to submit testimony to **SUPPORT HB 2395**.

The invaluable support provided by the Hawai'i National Guard to the state and counties during emergencies cannot be overstated. As it relates to the Maui Wildfires, these dedicated soldiers and airmen, who were called to active duty by the Governor and Adjutant General, played a crucial role in ensuring the success of Lahaina's response missions. The Hawai'i Emergency Management Agency (HI-EMA) **strongly endorses** HB 2395 as it grants much-needed financial flexibility to National Guard members who do not work for the state and are required to take leave from their regular jobs.

Hawai'i National Guard members face unique challenges with their retirement system due to the temporary nature of their orders. Being exempt from Hawai'i's State's Retirement System would simplify their financial planning and alleviate any complications.

Thank you for the opportunity to provide testimony on House Bill 2395.

James Barros: james.barros@hawaii.gov; 808-733-4300

HEADQUARTERS
HAWAI'I ARMY NATIONAL GUARD
91-1227 ENTERPRISE AVENUE
KAPOLEI, HAWAI'I 96707-2150

TESTIMONY IN **SUPPORT** OF HOUSE BILL 2395
RELATING TO THE HAWAII ARMY NATIONAL GUARD

BEFORE THE COMMITTEE ON LABOR AND GOVERNMENT OPERATIONS,
AND COMMITTEE ON CORRECTIONS, MILITARY, AND VETERANS

BY

COLONEL TYSON Y. TAHARA
CHIEF OF STAFF, HAWAI'I ARMY NATIONAL GUARD

February 14, 2024

Chairs Matayoshi and Hashem, Vice-Chairs Garrett and Chun, and members of both committees:

I am Colonel Tyson Tahara, Chief of Staff of the Hawai'i Army National Guard (HIARNG) in the State Department of Defense.

The HIARNG provides written testimony **IN SUPPORT OF** HB 2395.

The HIARNG takes great pride in serving the people and government of the State of Hawaii during times of need. Our recent service history includes our response during the Puna lava flow, our state-wide support during COVID-19, and our deployment to Maui following the wildfires there.

Our Soldiers quickly respond to calls from the community. Yet, their mandatory enrollment in the Employees' Retirement System of the State of Hawaii (ERS) reduces their take-home pay for periods of State Active Duty service. Most of our Soldiers do not work for the State and will never earn enough credited service to earn a State retirement. Therefore, their mandatory contributions to ERS do not entitle most of our Soldiers to a corresponding benefit. Exempting Hawaii National Guard members from mandatory enrollment in ERS would remove this burden while allowing those members who are existing members of the system to continue to accrue credited service while on State Active Duty.

Thank you for this opportunity to offer testimony **IN SUPPORT OF** HB 2395 exempting members of the Hawaii National Guard from mandatory enrollment in ERS.

Colonel Tyson Tahara; tyson.y.tahara.mil@army.mil; 808-672-1456

LATE

HB-2395

Submitted on: 2/8/2024 8:20:28 AM

Testimony for LGO on 2/14/2024 9:10:00 AM

Submitted By	Organization	Testifier Position	Testify
Bingham L. Tuisamatatele Jr.	Hawaii Army National Guard	Support	Written Testimony Only

Comments:

The State of Hawaii is one of the most expensive places to live in the United States. So every dollar counts for some people. I do not understand the theory behind making Soldiers contribute to a mandatory state retirement system, that they do not plan to retire from. If we care for the people of Hawaii we would do everything in our power to try to give back when we can. This bill is an opportunity we can do so. A lot of national guard Soldiers already have careers that they contribute to their retirement systems, like stated above why would we make them contribute to another retirement system if they do not plan to use it. I would recommend to allow the Soldier to decide if he/she would like to contribute versus making it mandatory.

HB-2395

Submitted on: 2/8/2024 9:21:05 AM

Testimony for LGO on 2/14/2024 9:10:00 AM

Submitted By	Organization	Testifier Position	Testify
Bradley Cabrera	HIARNG	Support	Written Testimony Only

Comments:

I support this bill because this exempts service members on State active duty orders towards contributing a slice of their paycheck towards the states Employee Retirement System which wouldn't benefit the service member and allow them to retain more on their state active duty paycheck.

HB-2395

Submitted on: 2/6/2024 6:19:14 PM

Testimony for LGO on 2/14/2024 9:10:00 AM

Submitted By	Organization	Testifier Position	Testify
Mike Golojuch, Sr.	Individual	Support	Written Testimony Only

Comments:

I support HB2395. Please pass this bill.

Mike Golojuch, Lt Col, USAF(Ret)

HB-2395

Submitted on: 2/7/2024 2:49:01 PM

Testimony for LGO on 2/14/2024 9:10:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael Rosner	Individual	Support	Written Testimony Only

Comments:

Exemption from mandatory State Employees Retirement System (ERS) while serving on State Active Duty during an emergency will enable Soldiers to receive the full value of their State Active Duty pay and empower them to make investment and retirement savings decisions that best align with their full-time civilian employee benefit plans.

HB-2395

Submitted on: 2/7/2024 3:46:08 PM

Testimony for LGO on 2/14/2024 9:10:00 AM

Submitted By	Organization	Testifier Position	Testify
Jeffrey Ulep	Individual	Support	Written Testimony Only

Comments:

I support the Hawaii National Guard enlisted and officers.

HB-2395

Submitted on: 2/7/2024 4:41:11 PM

Testimony for LGO on 2/14/2024 9:10:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael Buendia	Individual	Support	Written Testimony Only

Comments:

I support this bill.

HB-2395

Submitted on: 2/8/2024 12:43:40 PM

Testimony for LGO on 2/14/2024 9:10:00 AM

Submitted By	Organization	Testifier Position	Testify
Melvin Caraang	Individual	Support	Written Testimony Only

Comments:

I support this bill because this exempts service members on State active duty orders towards contributing an amount from their paycheck towards the states Employee Retirement System which wouldn't benefit the service member and allow them to retain more on their state active duty paycheck.

HB-2395

Submitted on: 2/8/2024 12:50:45 PM

Testimony for LGO on 2/14/2024 9:10:00 AM

Submitted By	Organization	Testifier Position	Testify
Kamakana Schutte	Individual	Support	Written Testimony Only

Comments:

I support this bill because this exempts service members on State active duty orders towards contributing a slice of their paycheck towards the states Employee Retirement System which wouldn't benefit the service member and allow them to retain more on their state active duty paycheck.

HB-2395

Submitted on: 2/8/2024 2:59:32 PM

Testimony for LGO on 2/14/2024 9:10:00 AM

Submitted By	Organization	Testifier Position	Testify
ROY T. YAMADA	Individual	Support	Written Testimony Only

Comments:

I support HB2395 as it gives non-state employees the option to be excluded from the state's mandatory enrollment into the retirement system. If the Service Member is not a state employee there is no benefit or need to enroll into the state system. It is the Service Member's choice to determine the use of their income.

HB-2395

Submitted on: 2/9/2024 10:04:30 AM

Testimony for LGO on 2/14/2024 9:10:00 AM

Submitted By	Organization	Testifier Position	Testify
eric m	Individual	Support	Written Testimony Only

Comments:

I support this initiative as it will significantly reduce the hardships for individuals affected.