

STAND. COM. REP. NO. 1757-26

Honolulu, Hawaii

MAR 20 , 2026

RE: S.B. No. 3096
S.D. 1
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Labor, to which was referred S.B. No. 3096,
S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT
SYSTEM'S EMPLOYER CONTRIBUTIONS FOR NORMAL COST AND ACCRUED
LIABILITY,"

begs leave to report as follows:

The purpose of this measure is to increase the employer
contribution rate for normal cost and accrued liability for police
officers, firefighters, and corrections officers.

Your Committee received testimony in support of this measure
from the Board of Trustees of the Employees' Retirement System.

Your Committee finds that the Employees' Retirement System
has experienced a regression in the funding progress for police
officers, firefighters, and certain investigators, whose
contributions for normal cost and accrued liability are assessed
separately to match the level of retirement benefits provided.
Your Committee further finds that this group's accrued liability
has grown due to continued higher-than-projected salary increases,
resulting in a twenty-four-year funding period that meets but
threatens to exceed the statutory maximum as scheduled reductions
move toward a twenty-year cap, while other membership groups

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remain on track to eliminate their liability by 2046. This measure is a prudent and necessary step to close the funding gap sooner, protect employees and taxpayers from greater long-term financial risk, and prevent systemwide contribution increases.

Your Committee has amended this measure by changing the effective date to July 1, 3000, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3096, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3096, S.D. 1, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Labor,


JACKSON D. SAYAMA, Chair



