

STAND. COM. REP. NO. 1163-26

Honolulu, Hawaii
MAR 06 , 2026

RE: H.B. No. 2358
H.D. 2

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

Madame:

Your Committee on Finance, to which was referred H.B. No. 2358, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO RETIREMENT,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Provide elective officers with the choice to be excluded from membership in the Employees' Retirement System after each election, rather than making a one-time irrevocable choice after taking office;
- (2) Include the Chief Investigator and Chief Special Investigator of the Department of Law Enforcement as class A members of the pension and retirement system; and
- (3) Establish guidance for the computation of retirement benefits for the Chief Investigator, Chief Special Investigator, Director of Law Enforcement, and Deputy Directors of Law Enforcement.

Your Committee received testimony in support of this measure from the Office of the Governor and Department of Law Enforcement. Your Committee received testimony in opposition to this measure

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from the Legislative Committee of the Board of Trustees of the Employees' Retirement System.

Your Committee has amended this measure by:

- (1) Adding a brief preamble;
- (2) Clarifying that the Chief Investigator and Chief Special Investigator of the Department of Law Enforcement are included in the definition of "law enforcement investigators" as class A members of the pension and retirement system;
- (3) Removing the provisions that provided elective officers with the choice to be excluded from membership in the Employees' Retirement System after each election, rather than making a one-time irrevocable choice after taking office;
- (4) Including the Adjutant General, Deputy Adjutant General, Fire Marshal, and Deputy Fire Marshal as class A members of the pension and retirement system;
- (5) Establishing the retirement allowance for Tier 1 members that, after June 30, 2026, have at least ten years of credited service, of which the last five or more years before retirement are served as Adjutant General, Deputy Adjutant General, Director of Law Enforcement, Deputy Director of Law Enforcement, Fire Marshal, or Deputy Fire Marshal at two percent of average final compensation for each year of credited service in those positions;
- (6) Including the Adjutant General, Deputy Adjutant General, Fire Marshal, and Deputy Fire Marshal within the same Tier 2 benefit computation structure as the Director of Law Enforcement and Deputy Director of Law Enforcement; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your



Committee is in accord with the intent and purpose of H.B. No. 2358, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2358, H.D. 2.

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



CHRIS TODD, Chair



