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DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
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Statement of
BRENN A H. HASHIMOTO
Director, Department of Human Resources Development

Before the
HOUSE COMMITTEE ON FINANCE
Thursday, February 26, 2026
10:00AM
State Capitol, Conference Room 308

In consideration of
HB1183 HD2, RELATING TO ALLOWANCE ON SERVICE RETIREMENTS

Chair Todd, Vice Chair Takenouchi, and members of the committee:

The Department of Human Resources Development (HRD) **supports** the intent of HB1183 HD2, which includes certain law enforcement administrators and employees of the Department of Law Enforcement as class A members of the pension and retirement systems, and provides guidance for the computation of retirement benefits similar to police officers.

HRD finds that adding certain leadership positions as Class A members could be an effective recruitment and retention tool, given that the likely applicant pool consists of those currently enrolled in enhanced retirement plans, such as police officers and investigators. However, we find that the bill, as currently drafted, excludes certain positions in the chain of command, including chief investigator and chief special investigator.

HRD offers the attached alternate draft of the measure for the committee's consideration.

We are available to answer any questions or provide further information as needed.

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A BILL FOR AN ACT

RELATING TO ALLOWANCE ON SERVICE RETIREMENTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 88-21, Hawaii Revised Statutes, is
2 amended as follows:

3 (1) By amending the definition of "law enforcement
4 investigations staff investigators" to read as follows:

5 ""Law enforcement investigations staff investigators" means
6 those employees in the [~~investigations staff office of the~~]
7 department of law enforcement who have been conferred police
8 powers by the director of law enforcement in accordance with
9 section 353C-4 and are in the positions of investigator I to
10 VII."

11 (2) By adding five new definitions to be appropriately
12 inserted and to read as follows:

13 ""Chief investigator" means a person regularly employed by
14 the department of law enforcement who has been conferred police
15 powers by the director of law enforcement in accordance with
16 section 353C-4 and is in the position of chief investigator.

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1 "Chief special investigator" means a person regularly
2 employed by the department of law enforcement who has been
3 conferred police powers by the director of law enforcement in
4 accordance with section 353C-4 and is in the position of chief
5 special investigator.

6 "Deputy director for law enforcement" means a person
7 appointed by the director of law enforcement to regularly serve
8 as a deputy director of the department of law enforcement.

9 "Director of law enforcement" means the person appointed by
10 the governor to regularly serve as director of the department of
11 law enforcement.

12 "Sheriff" means a person who serves as the administrator of
13 the sheriff division."

14 SECTION 2. Notwithstanding section 88-99, Hawaii Revised
15 Statutes, section 88-45, Hawaii Revised Statutes, is amended to
16 read as follows:

17 "After June 30, 1988, each class A and class B member shall
18 contribute seven and eight-tenths per cent of the member's
19 compensation to the annuity savings fund; provided that after
20 June 30, 1989, all firefighters, police officers, corrections
21 officers, investigators of the departments of the prosecuting
22 attorney and of the attorney general, narcotics enforcement

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1 investigators, water safety officers not making the election
2 under section 88-271, [~~and~~] law enforcement investigations staff
3 investigators, chief investigator, chief special investigator,
4 director of law enforcement, deputy directors for law
5 enforcement, and sheriff shall contribute twelve and two-tenths
6 per cent of their compensation to the annuity savings fund for
7 service in that capacity; provided further that each class A and
8 class B member who becomes a member after June 30, 2012, shall
9 contribute nine and eight-tenths per cent of the member's
10 compensation to the annuity savings fund, provided further that
11 all firefighters, police officers, corrections officers,
12 investigators of the departments of the prosecuting attorney and
13 of the attorney general, narcotics enforcement investigators,
14 [~~and~~] law enforcement investigations staff investigators, chief
15 investigator, chief special investigator, director of law
16 enforcement, deputy directors for law enforcement, and sheriff
17 who become members after June 30, 2012, shall contribute
18 fourteen and two-tenths per cent of their compensation to the
19 annuity savings fund for service in that capacity."

20 SECTION 3. Notwithstanding section 88-99, Hawaii Revised
21 Statutes, section 88-47, Hawaii Revised Statutes, is amended by
22 amending subsection (a) to read as follows:

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1 "(a) There shall be four classes of members in the system
2 to be known as class A, class B, class C, and class H, defined
3 as follows:

4 (1) Class A shall consist of:

5 (A) Judges, elected officials, and legislative
6 officers;

7 (B) Investigators of the department of the attorney
8 general, narcotics enforcement investigators,
9 water safety officers not making the election
10 under section 88-271, and law enforcement
11 investigations staff investigators;

12 (C) Those members in service [~~prior to~~] before July
13 1, 1984, including those who are on approved
14 leave of absence, not making the election to
15 become a class C member as provided in part VII
16 or to become a class H member as provided in part
17 VIII;

18 (D) The following members in service [~~prior to~~]
19 before July 1, 2006, including those who are on
20 approved leave of absence, not making the
21 election to become a class H member as provided
22 in part VIII:

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- 1 (i) Members whose salaries are set forth in
- 2 sections 26-52 and 26-53 and their county
- 3 counterparts, managing directors or an
- 4 administrative assistant to the mayor, other
- 5 county department heads, and agency heads
- 6 appointed and subject to removal by the
- 7 mayor;
- 8 (ii) First deputies appointed by the county
- 9 attorney and prosecuting attorney;
- 10 (iii) The county clerk and deputy county clerk of
- 11 each county;
- 12 (iv) The directors of the offices of council
- 13 services of the county of Maui and the city
- 14 and county of Honolulu;
- 15 (v) The administrative director of the courts;
- 16 (vi) The deputy administrative director of the
- 17 courts;
- 18 (vii) The executive officer of the labor and
- 19 industrial relations appeals board; and
- 20 (viii) The executive officer of the Hawaii labor
- 21 relations board;
- 22 (E) All former class A retirants who return to

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1 employment after June 30, 1984, requiring the
2 retirant's active membership; [~~and~~]

3 (F) All former class B retirants who return to
4 employment requiring the retirant's active
5 membership, except for:

6 (i) Former retirants who return in the positions
7 of police officer or firefighter;

8 (ii) Former retirants who were members on July 1,
9 1957, who elected not to be covered by the
10 Social Security Act; and

11 (iii) Former retirants who were in positions to
12 which coverage under Title II of the Social
13 Security Act was not extended who entered
14 membership after June 30, 1957, but before
15 January 1, 2004; and

16 (G) The following members of the department of law
17 enforcement, effective -----:

18 (i) The chief investigator;

19 (ii) The chief special investigator;

20 (iii) The director of law enforcement;

21 (iv) The deputy directors for law enforcement;

22 and

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- 1 (v) The sheriff;
- 2 (2) Class B shall consist of:
 - 3 (A) Police officers and firefighters, including
 - 4 former retirants who return to service in such
 - 5 capacity;
 - 6 (B) All employees, including former retirants, who
 - 7 were members on July 1, 1957, who elected not to
 - 8 be covered by the Social Security Act; and
 - 9 (C) All employees, including former retirants, in
 - 10 positions to which coverage under Title II of the
 - 11 Social Security Act is not extended, who enter
 - 12 membership after June 30, 1957, but before
 - 13 January 1, 2004, not making the election to
 - 14 become a class H member as provided in part VIII;
- 15 (3) Except for members described in paragraphs (1) and
- 16 (2), class C shall consist of all employees, not
- 17 making the election to become a class H member as
- 18 provided in part VIII, who:
 - 19 (A) First enter service after June 30, 1984, but
 - 20 before July 1, 2006;
 - 21 (B) Reenter service after June 30, 1984, but before
 - 22 July 1, 2006, without vested benefit status as

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- 1 provided in section 88-96(b);
- 2 (C) Make the election to become a class C member as
- 3 provided in part VII; or
- 4 (D) Are former class C retirants who return to service
- 5 requiring the retirant's active membership; and
- 6 (4) Except for members described in paragraphs (1) and
- 7 (2), class H shall consist of all employees who:
- 8 (A) First enter service after June 30, 2006;
- 9 (B) Reenter service after June 30, 2006, without
- 10 vested benefit status as provided in section 88-
- 11 96(b);
- 12 (C) Make the election to become a class H member as
- 13 provided in part VIII; or
- 14 (D) Are former class H retirants who return to
- 15 service requiring the retirant's active
- 16 membership."

17 SECTION 4. Notwithstanding section 88-99, Hawaii Revised
18 Statutes, section 88-74, Hawaii Revised Statutes, is amended as
19 follows:

- 20 (1) By amending subsection (b) to read as follows:
- 21 " (b) If a member, who became a member before July 1, 2012,
- 22 has attained age fifty-five, the member's maximum retirement

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1 allowance shall be two per cent of the member's average final
2 compensation multiplied by the total number of years of the
3 member's credited service as a class A and class B member,
4 excluding any credited service as a judge, elective officer, or
5 legislative officer, plus a retirement allowance of one and one-
6 fourth per cent of the member's average final compensation
7 multiplied by the total number of years of prior credited
8 service as a class C member, plus a retirement allowance of two
9 per cent of the member's average final compensation multiplied
10 by the total number of years of prior credited service as a
11 class H member; provided that:

12 (1) After June 30, 1968, if the member has at least ten
13 years of credited service of which the last five or
14 more years [~~prior to~~] before retirement is credited
15 service as a firefighter, police officer, or an
16 investigator of the department of the prosecuting
17 attorney;

18 (2) After June 30, 1977, if the member has at least ten
19 years of credited service of which the last five or
20 more years [~~prior to~~] before retirement is credited
21 service as a corrections officer;

22 (3) After June 16, 1981, if the member has at least ten

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1 years of credited service of which the last five or
2 more years [~~prior to~~] before retirement is credited
3 service as an investigator of the department of the
4 attorney general;

5 (4) After June 30, 1989, if the member has at least ten
6 years of credited service of which the last five or
7 more years [~~prior to~~] before retirement is credited
8 service as a narcotics enforcement investigator;

9 (5) After December 31, 1993, if the member has at least
10 ten years of credited service of which the last five
11 or more years [~~prior to~~] before retirement is credited
12 service as a water safety officer;

13 (6) After June 30, 1994, if the member has at least ten
14 years of credited service, of which the last five or
15 more years [~~prior to~~] before retirement are credited
16 service as a law enforcement investigations staff
17 investigator;

18 (7) After -----, if the member has at least ten years
19 of credited service, of which the last five or more
20 years before retirement are credited service as a
21 chief investigator, chief special investigator,
22 director of law enforcement, deputy director for law

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1 enforcement, or sheriff;

2 ~~[(7)]~~ (8) After June 30, 2002, if the member:

3 (A) Has at least 10 years of credited service as a
4 firefighter;

5 (B) Is deemed permanently medically disqualified due
6 to a service related disability to be a
7 firefighter by the employer's physician; and

8 (C) Continues employment in a class A or B position
9 other than a firefighter; and

10 ~~[(8)]~~ (9) After June 30, 2004, if the member:

11 (A) Has at least ten years of credited service as a
12 police officer;

13 (B) Is deemed permanently medically disqualified due
14 to a service related disability to be a police
15 officer by the employer's physician; and

16 (C) Continues employment in a class A or B position
17 other than a police officer;

18 then for each year of service as a firefighter, police
19 officer, corrections officer, investigator of the
20 department of the prosecuting attorney, investigator of the
21 department of the attorney general, narcotics enforcement
22 investigator, water safety officer, ~~[or]~~ law enforcement

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1 investigations staff investigator, chief investigator,
2 chief special investigator, director of law enforcement,
3 deputy director for law enforcement, or sheriff, the
4 retirement allowance shall be two and one-half per cent of
5 the member's average final compensation. The maximum
6 retirement allowance for those members shall not exceed
7 eighty per cent of the member's average final compensation.
8 If the member has not attained age fifty-five, the member's
9 retirement allowance shall be computed as though the member
10 had attained age fifty-five, reduced for age as provided in
11 subsection (e)."

12 (2) By amending subsections (e) and (f) to read as
13 follows:

14 "(e) Except as provided in subsections (b), (c), and (d),
15 if a member, who became a member before July 1, 2012, has not
16 attained age fifty-five at the date of retirement, the member's
17 retirement allowance shall be reduced, for each month the
18 member's age at the date of retirement is below age fifty-five,
19 as follows:

20 (1) 0.4166 per cent for each month below age fifty-five
21 and above age forty-nine and eleven months; plus

22 (2) 0.3333 per cent for each month below age fifty and

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1 above age forty-four and eleven months; plus
2 (3) 0.2500 per cent for each month below age forty-five
3 and above age thirty-nine and eleven months; plus
4 (4) 0.1666 per cent for each month below age forty;
5 provided that no reduction shall be made if the member has at
6 least twenty-five years of credited service as a firefighter,
7 police officer, corrections officer, investigator of the
8 department of the prosecuting attorney, investigator of the
9 department of the attorney general, narcotics enforcement
10 investigator, law enforcement investigations staff investigator,
11 chief investigator, chief special investigator, director of law
12 enforcement, deputy director for law enforcement, the sheriff,
13 sewer worker, or water safety officer, of which the last five or
14 more years prior to retirement is credited service in these
15 capacities.

16 (f) If a member, who becomes a member after June 30, 2012,
17 has attained age sixty, the member's maximum retirement
18 allowance shall be one and three-fourths per cent of the
19 member's average final compensation multiplied by the total
20 number of years of the member's credited service as a class A
21 and class B member, excluding any credited service as a judge,
22 elective officer, or legislative officer, plus a retirement

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1 allowance of one and one-fourth per cent of the member's average
2 final compensation multiplied by the total number of years of
3 prior credited service as a class C member, plus a retirement
4 allowance of one and three-fourths per cent of the member's
5 average final compensation multiplied by the total number of
6 years of prior credited service as a class H member; provided
7 that:

8 (1) If the member has at least ten years of credited
9 service of which the last five or more years [~~prior~~
10 ~~to~~] before retirement is credited service as a
11 firefighter, police officer, or an investigator of the
12 department of the prosecuting attorney;

13 (2) If the member has at least ten years of credited
14 service of which the last five or more years [~~prior~~
15 ~~to~~] before retirement is credited service as a
16 corrections officer;

17 (3) If the member has at least ten years of credited
18 service of which the last five or more years [~~prior~~
19 ~~to~~] before retirement is credited service as an
20 investigator of the department of the attorney
21 general;

22 (4) If the member has at least ten years of credited

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1 service of which the last five or more years [~~prior~~
2 ~~to~~] before retirement is credited service as a
3 narcotics enforcement investigator;

4 (5) If the member has at least ten years of credited
5 service, of which the last five or more years [~~prior~~
6 ~~to~~] before retirement is credited service as a law
7 enforcement investigations staff investigator;

8 (6) After -----, if the member has at least ten years
9 of credited service, of which the last five or more
10 years before retirement is credited service as a chief
11 investigator, chief special investigator, director of
12 law enforcement, deputy director for law enforcement,
13 or sheriff;

14 ~~[(6)]~~ (7) If the member:

15 (A) Has at least ten years of credited service as a
16 firefighter;

17 (B) Is deemed permanently medically disqualified due
18 to a service related disability to be a
19 firefighter by the employer's physician; and

20 (C) Continues employment in a class A or class B
21 position other than a firefighter; and

22 ~~[(7)]~~ (8) If the member:

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1 (A) Has at least ten years of credited service as a
2 police officer;

3 (B) Is deemed permanently medically disqualified due
4 to a service related disability to be a police
5 officer by the employer's physician; and

6 (C) Continues employment in a class A or class B
7 position other than a police officer,

8 then for each year of service as a firefighter, police officer,
9 corrections officer, investigator of the department of the
10 prosecuting attorney, investigator of the department of the
11 attorney general, narcotics enforcement investigator, ~~[or]~~ law
12 enforcement investigations staff investigator, chief
13 investigator, chief special investigator, director of law
14 enforcement, deputy director for law enforcement, or sheriff,
15 the retirement allowance shall be two and one-fourth per cent of
16 the member's average final compensation. The maximum retirement
17 allowance for those members shall not exceed eighty per cent of
18 the member's average final compensation. If the member has not
19 attained age sixty, the member's retirement allowance shall be
20 computed as though the member had attained age sixty, reduced
21 for age as provided in subsection (i)."

22 (3) By amending subsection (i) to read as follows:

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1 "(i) Except as provided in subsections (f), (g), and (h),
2 if a member, who becomes a member after June 30, 2012, has not
3 attained age sixty at the date of retirement, the member's
4 retirement allowance shall be reduced, for each month the
5 member's age at the date of retirement is below age sixty, as
6 follows:

7 (1) 0.4166 per cent for each month below age sixty and
8 above age fifty-four and eleven months; plus

9 (2) 0.3333 per cent for each month below age fifty-five
10 and above age forty-nine and eleven months; plus

11 (3) 0.2500 per cent for each month below age fifty and
12 above age forty-four and eleven months; plus

13 (4) 0.1666 per cent for each month below age forty-five;

14 provided that no reduction shall be made if the member has
15 attained the age of fifty-five and has at least twenty-five
16 years of credited service as a firefighter, police officer,
17 corrections officer, investigator of the department of the
18 prosecuting attorney, investigator of the department of the
19 attorney general, narcotics enforcement investigator, law
20 enforcement investigations staff investigator, chief
21 investigator, chief special investigator, director of law
22 enforcement, deputy director for law enforcement, sheriff, sewer

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1 worker, water safety officer, or emergency medical technician,
2 of which the last five or more years prior to retirement is
3 credited service in these capacities."

4 SECTION 5. Section 88-122, Hawaii Revised Statutes is
5 amended by amending subsection (a) to read as follows:

6 "(a) Based on regular interest and such mortality and
7 other tables as are adopted by the board of trustees, the
8 actuary engaged by the board, on the basis of successive annual
9 actuarial valuations, shall determine the employer's normal cost
10 and accrued liability contributions for each fiscal year
11 beginning July 1 separately for the following two groups of
12 employees:

13 (1) Police officers, firefighters, [~~and~~] corrections
14 officers, chief investigator, chief special
15 investigator, director of law enforcement, deputy
16 director for law enforcement, and sheriff; and

17 (2) All other employees."

18 SECTION 6. This Act does not affect the rights and duties
19 that matured or were vested, penalties that were incurred, and
20 proceedings that were begun before its effective date, including
21 but not limited to any membership that was terminated, credited
22 service that was forfeited, retirement that was finalized, or

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1 benefits that were paid.

2 SECTION 7. Statutory material to be repealed is bracketed
3 and stricken. New statutory material is underscored.

4 SECTION 8. This Act shall take effect on -----.

5

6 INTRODUCED BY: _____

7

BY REQUEST

____.B. NO.____



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2026**

ON THE FOLLOWING MEASURE:

H.B. NO. 1183, H.D. 2, RELATING TO ALLOWANCE ON SERVICE RETIREMENTS.

BEFORE THE:

HOUSE COMMITTEE ON FINANCE

DATE: Thursday, February 26, 2026 **TIME:** 10:00 a.m.

LOCATION: State Capitol, Room 308

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Justine Hura or Lori Tanigawa, Deputy Attorneys General

Chair Todd and Members of the Committee:

The Department of the Attorney General provides the following comments.

The purpose of this bill is to include certain law enforcement administrators and employees of the Department of Law Enforcement as class A members of the Employees' Retirement System. The bill also provides guidance for the computation of retirement benefits similar to those provided to police officers.

Often referred to as the "subject-title" requirement, section 14 of article III of the Hawai'i State Constitution provides that, "[e]ach law shall embrace but one subject, which shall be expressed in its title." Although the bill's title, "Relating to Allowance on Service Retirements," embraces a single subject, there appears to be a subject-title issue because the scope of the bill's contents exceeds the subject expressed in the title.

In addition to amending the manner in which service retirement allowances are calculated for certain law enforcement administrators and employees of the Department of Law Enforcement, the bill reclassifies those employees as class A members, amends the amount of their respective employee contributions, and amends the amount of the employer contributions applicable to those employees.

The bill may be subject to challenge as being in violation of section 14 of article III of the State Constitution. Because House Bill No. 2358, H.D. 1, addresses the same subject matter with an appropriate title, we respectfully recommend that the Committee move that bill instead of this bill.

Thank you for the opportunity to provide these comments.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



MIKE LAMBERT
Director

ERNEST J. ROBELLO
Deputy Director
Administration

SYLVIA LUKE
LT GOVERNOR
KA HOPE KIA'ĀINA

STATE OF HAWAII | KA MOKU'ĀINA O HAWAII
DEPARTMENT OF LAW ENFORCEMENT
Ka 'Oihana Ho'okō Kānāwai
715 South King Street
Honolulu, Hawaii 96813

JARED K. REDULLA
Deputy Director
Law Enforcement

TESTIMONY ON HOUSE BILL 1183, HOUSE DRAFT 2
RELATING TO ALLOWANCE ON SERVICE RETIREMENTS
Before the House Committee on
FINANCE

Thursday, February 26, 2026, 10:00 a.m.

State Capitol Conference Room 308

Testifiers: Ernest Robello

Chair Todd, Vice Chair Takenouchi, and members of the Committee:

The Department of Law Enforcement (DLE) supports House Bill 1183, House Draft 2, HD2. This bill includes certain law enforcement administrators and employees of the Department of Law Enforcement as Class A members of the pension and retirement systems and provides guidance for the computation of retirement benefits similar to those afforded to police officers, effective July 1, 3000.

The men and women who serve in law enforcement administrator and support roles within the Department of Law Enforcement perform duties that are integral to the safety, security, and operational effectiveness of the State's law enforcement mission. These individuals work alongside sworn officers, often in demanding, high-risk environments, yet have historically been excluded from Class A retirement benefits that recognize the unique and often hazardous nature of law enforcement work. This disparity is both inequitable and counterproductive to the Department's ability to recruit and retain experienced and dedicated personnel.

Class A membership in the Employees' Retirement System (ERS) provides enhanced retirement benefits that are commensurate with the demands, risks, and sacrifices associated with a career in law enforcement. By extending these benefits to qualifying DLE administrators and employees, this bill acknowledges the critical contributions these individuals make to the Department's overall public safety mission. Just as police officers are afforded Class A retirement benefits in recognition of the nature of their service, it is only appropriate that DLE law enforcement administrators and employees who perform substantially similar or directly supportive law enforcement functions be treated equitably under the retirement system.

Furthermore, as the DLE has previously testified, the recruitment and retention of qualified law enforcement personnel remain among the most significant challenges facing the Department. Competitive compensation and benefits packages are essential tools for attracting and retaining talented individuals committed to a career in public safety. The extension of Class A retirement benefits to DLE administrators and employees would meaningfully enhance the Department's overall benefits package, making DLE employment a more attractive and competitive option for qualified candidates. This is especially important given the nationwide law enforcement staffing shortage and the aggressive recruitment efforts by mainland agencies targeting Hawaii's law enforcement professionals.

By aligning the retirement benefits of DLE law enforcement administrators and employees with those of police officers, this bill also promotes internal equity and morale within the Department. Personnel who dedicate their careers to supporting the law enforcement mission deserve to retire with dignity and financial security commensurate with the nature of their service.

The DLE recognizes that fiscal considerations are an important aspect of any legislation affecting the retirement system. However, the long-term benefits of improved recruitment, retention, and workforce stability far outweigh the costs associated with

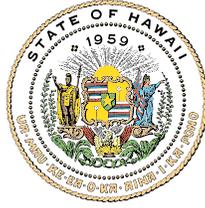
extending Class A membership to this group of dedicated public servants. Investing in the welfare of our law enforcement personnel is an investment in the safety and security of the people of Hawaii.

The Department of Law Enforcement strongly urges this Committee to pass House Bill 1183, House Draft 2, and take this important step toward ensuring that all DLE law enforcement administrators and employees are treated fairly and equitably under the State's retirement system.

Thank you for the opportunity to testify in support of this bill.

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR



KALBERT K. YOUNG
EXECUTIVE DIRECTOR

GAIL STROHL
DEPUTY EXECUTIVE DIRECTOR

**STATE OF HAWAII
EMPLOYEES' RETIREMENT SYSTEM**

TESTIMONY BY KALBERT YOUNG
EXECUTIVE DIRECTOR, EMPLOYEES' RETIREMENT SYSTEM
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 1183 HD2

February 26, 2026

10:00 AM

Conference Room 308 and VIA Videoconference

RELATING TO ALLOWANCE ON SERVICE RETIREMENTS.

Chair Todd, Vice Chair Takenouchi, and Members of the Committee,

While the Board of Trustees (BOT) has not had a chance to review the bill, the Employees' Retirement System (ERS) appreciates the intent of HB 1183 HD2 and is thankful for the opportunity to offer comments recommending amendments to this measure.

HB 1183 HD2, proposes to amend chapter 88, Hawaii Revised Statutes (HRS), by: (1) adding four definitions for the Department of Law Enforcement (DLE) which include: "Deputy director for the department of law enforcement," "Director of law enforcement," "Sheriff," and "Sheriff division investigator;" (2) amending the definition of "Law enforcement investigations staff investigators;" (3) reclassifying the Director of Law Enforcement, deputy directors of the Department of Law Enforcement, DLE investigators, the Sheriff, and Sheriff division investigators as class A members in the ERS effective July 1, 2025; (4) authorizing, after July 1, 2025, an enhanced retirement allowance for the Director of Law Enforcement, Deputy Director of the DLE, the Sheriff, and Sheriff division investigators if they meet the required years of credited service and



Employees' Retirement System
of the State of Hawaii

are members before July 1, 2012; (5) authorizing a revised retirement allowance for the Director of Law Enforcement, deputy directors of the DLE, the Sheriff, and Sheriff division investigators if they meet the required years of credited service and are members after June 30, 2012; (6) waiving the early retirement age penalty for the Director of Law Enforcement, deputy directors of the DLE, the Sheriff, and Sheriff division investigators if they became a member before July 1, 2012 and have at least 25 years of eligible credited service; (7) waiving the early retirement age penalty for the Director of Law Enforcement, deputy directors of the DLE, the Sheriff, DLE investigator, and Sheriff division investigators if they became a member after June 30, 2012 and if they have attained the age of fifty-five and have at least 25 years of eligible credited service; (8) adds the Director of Law Enforcement, deputy directors of the Department of Law Enforcement, DLE investigators, the Sheriff, and Sheriff division investigators to section 88-122, HRS for employer contribution rates; and (9) adds the Director of Law Enforcement, all deputy directors of the DLE, DLE investigators, the Sheriff, and Sheriff division investigators who become members after June 30, 2025 to contribute at 14.2%.

If the Committees intends to pass this bill, the ERS respectfully recommends that effective dates in the bill be conformed to a future date of July 1, 2026 to avoid administrative complexity and confusion. This would eventually include the overall effective date of the Act (Section 8, page 23, line 6).

We further respectfully recommend that a new Section (with subsequent Section renumbering) regarding actions previous to the bills effective date be added to read as follows:

"SECTION 8. This Act does not affect the rights and duties that matured or were vested, penalties that were incurred, and proceedings that were begun before its effective date, including but not limited to any membership that was terminated, credited service that was forfeited, retirement that was finalized, or benefits that were paid."

Thank you for the opportunity to provide testimony on HB 1183 HD2.