

Honolulu, Hawaii

March 3, 2006

RE: H.B. No. 2678
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2678, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM,"

begs leave to report as follows:

The purpose of this bill is to assist public employees with incurable and debilitating diseases to retire at a time of their choosing rather than the 90-day deadline after approval of their retirement application established through administrative rules.

The Employees Association of the City & County of Honolulu, Hawaii Government Employees Association, Hawaii State Teachers Association, and several concerned individuals submitted testimony in support of this bill. The Employees' Retirement System (ERS) opposed this measure. The Department of the Attorney General offered comments.

The ERS noted that this measure may result in a member's actual retirement being delayed years after the approval of the member's application, making it difficult for employers to fill positions occupied by disabled employees on paid sick leave or vacation pay. Additionally, eliminating the time limit for retirement may encourage early filing of normal disability applications.



However, your Committee believes the intent of this measure is worthy of further consideration. Therefore, your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity 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. 2678, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2678, H.D. 2.

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



DWIGHT TAKAMINE, Chair



