

Honolulu, Hawaii

MAR 16 2006

RE: H.B. No. 2678
H.D. 2
S.D. 1

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Labor, to which was referred H.B. No. 2678,
H.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to allow a member of the
employees' retirement system who applies for ordinary disability
retirement, and who continues to work at the member's regular job,
to terminate service at any time following the approval of
ordinary disability retirement.

Testimony in support of this measure was submitted by the
Hawaii Government Employees Association, AFSCME Local 152, AFL-
CIO, the Hawaii State Teachers Association, and four individuals.
Testimony in opposition to this measure was submitted by the
Employees' Retirement System (ERS). Comments on the measure were
also submitted by the Department of the Attorney General.

Your Committee finds that, under the current law, a member of
the ERS can only qualify for ordinary disability retirement upon
certification by the ERS medical board that the member is
permanently mentally or physically incapacitated for the further
performance of duty and should be retired. However, your
Committee further finds that some ERS members suffer from
incurable debilitating diseases that have not yet progressed to
the point where they are unable to continue working. The law



should be amended to allow members suffering from incurable debilitating diseases to be able to qualify for ordinary disability retirement and still continue to work until they are physically or mentally unable to do so. Your Committee determines that these changes will streamline the process by removing the requirement of members to make multiple filings for ordinary disability retirement when they are already hampered by their condition as well as financial and other restraints.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its contents and inserting the provisions of S.B. No. 3012, S.D. 1, which provides as follows:
 - (A) Allows a member of the ERS who is diagnosed with an incurable debilitating disease to qualify for ordinary disability retirement and continue working until the member is unable to work and, specifically:
 - (B) Requires the ERS medical board to render a decision on whether the member suffers from an incurable debilitating disease within thirty days of the receipt of the member's application for ordinary disability retirement;
 - (C) Requires the ERS board to render a decision on the member's application for ordinary disability retirement within thirty days of receipt of the medical board's determination of eligibility for ordinary disability retirement; and
 - (D) Establishes a definition for the term "incurable debilitating disease; and
- (2) Making the effective date of the Act July 1, 2050 to allow further discussion on the measure.

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 H.B. No. 2678, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2678, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.



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



BRIAN KANNO, Chair



The Senate
Twenty-Third Legislature
State of Hawaii

Record of Votes of the
Committee on Labor
(Bills and Resolutions)

Measure:* HB 2678 HD2	Committee Referral: LBR, WAM	Date: 3-13-06		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is to: <input type="checkbox"/> Pass, unamended (2312) <input checked="" type="checkbox"/> Pass, with amendments (2311) <input type="checkbox"/> Hold (2310) <input type="checkbox"/> Recommit (2313)				
Members	Ayes	Ayes(WR)	Nays	Excused
KANNO, Brian (C)	✓			
IHARA, Jr., Les (VC)				✓
TANIGUCHI, Brian T.	✓			
SLOM, Sam		✓		
TOTAL	2	1		1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Do not list more than one measure per Record of Votes.