

Honolulu, Hawaii

Feb 15, 2007

RE: H.B. No. 915
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committees on Labor & Public Employment and Public Safety & Military Affairs, to which was referred H.B. No. 915 entitled:

"A BILL FOR AN ACT RELATING TO CORRECTIONS OFFICERS,"

beg leave to report as follows:

The purpose of this bill is to allow corrections officers in the Noncontributory and Hybrid Plans to retire with at least twenty-five years of credited service, unreduced for age.

The United Public Workers/AFSCME, Local 646, AFL-CIO, and several individuals testified in support of this bill. The Department of Public Safety and Employees' Retirement System (ERS) commented on this measure.

Currently corrections officers are not eligible to retire after twenty-five years of credited service, irrespective of their age upon retirement. Your Committees further find that other law enforcement and safety officers who perform similar functions or face comparable job-related stress or hazards are provided with a lower standard for retirement eligibility.

However, concerns were raised regarding the effect this enhanced benefit will have on the unfunded liability currently facing the ERS. Your Committees were concerned that corrections officers may be unaware of the increased percentages in contributions they will be assessed for this benefit, which may



not make this plan economically feasible to them. Moreover, your Committee was informed by the ERS that, in fairness, corrections officers in the Hybrid Plan should face increased retirement contributions equitable to the contributions made by other public safety employees currently receiving this benefit. Despite these concerns, your Committee feels this measure warrants further consideration.

Accordingly, your Committee has amended this measure by:

- (1) Increasing the contribution percentage for corrections officers in the Hybrid Plan from 6% to 9.75%; and
- (2) Changing the effective date to July 1, 2059, to facilitate further discussion.

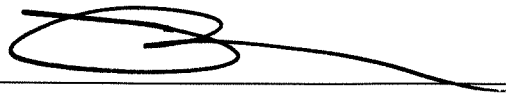
Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Public Safety & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 915, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 915, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Labor & Public
Employment and Public Safety &
Military Affairs,



CINDY EVANS, Chair



ALEX M. SONSON, Chair



