

STAND. COM. REP. NO.

787

Honolulu, Hawaii

February 13, 2013

RE: H.B. No. 808

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 808 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 preserve the tax-qualified status of the Employees' Retirement System by providing that civil union partners are not entitled to spousal rights under the Employees' Retirement System in instances where application of those spousal rights to civil union partners would conflict with the Internal Revenue Code.

Your Committee received testimony in support of this measure from the Department of Budget and Finance and the Employees' Retirement System.

Your Committee finds that amending spousal rights for civil union partners in chapter 88, Hawaii Revised Statutes, is necessary to preserve the tax-qualified status of the Employees' Retirement System under section 401(a) of the Internal Revenue Code. If the Employees' Retirement System were to lose its tax-exempt status, members' contributions would be taxed at the time of contribution and at the time of vesting, instead of only at the time that a member receives retirement benefits. Your Committee notes that this measure would not change the rights of civil union partners that are accorded to spouses under the Employees' Retirement System that are not restricted by the Internal Revenue

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Code. Your Committee further finds that this measure is a compliance measure necessary to preserve the viability of the Employees' Retirement System, by protecting its tax-qualified status.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 808 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,

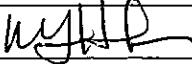

MARK M. NAKASHIMA, Chair



State of Hawaii
House of Representatives
The Twenty-seventh Legislature

HSCR387

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: HB 808	Committee Referral: LAB, FIN	Date: 2/8/13		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKASHIMA, Mark M. (C)	X			
2. HASHEM, Mark J. (VC)	X			
3. AQUINO, Henry J.C.	X			
4. ICHIYAMA, Linda	X			
5. ING, Kaniela	X			
6. TAKUMI, Roy M.	X			
7. YAMANE, Ryan I.	X			
8. YAMASHITA, Kyle T.	X			
9. JOHANSON, Aaron Ling	X			
TOTAL (9)	9	0	0	0
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u></u>				
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