



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION  
AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

LATE TESTIMONY

The Twenty-Seventh Legislature, State of Hawaii  
The Senate  
Committee on Judiciary and Labor

Testimony by  
Hawaii Government Employees Association  
February 11, 2013

S.B. 1354 – RELATING TO  
THE EMPLOYEES' RETIREMENT SYSTEM

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly opposes the purpose and intent of S.B. 1354, which changes the post-retirement allowance for retiree beneficiaries. Currently, Chapter 88-90 of the Hawaii Revised Statutes allows for any person who receives a pension, annuity or retirement allowance to additionally receive a post retirement allowance of 2.5% of their pension, as originally computed and paid. The proposed amendments in S.B. 1354 decrease the current benefit by replacing the 2.5% allowance with a graduated schedule that commences at a reduced level of 1.25% but increases to 3% in the 26th year of retirement.

We firmly believe that passage of this legislation, as written, is a violation of the State Constitution, Article XVI, Section 2 which states that accrued benefits shall not be diminished or impaired. The language contained in this bill clearly reduces the retirement benefit for pensioners by 1.25% for retirees. As written, it is unclear whether currently retired pensioners will have their pension benefits diminished if they have less than 25 years of retirement or if this legislation will impact only those beneficiaries who retire after July 1, 2013. Regardless of the intent, we raise serious concerns about the constitutionality of the bill. Additionally, if the intent is the later, passage of this legislation will likely lead many who are able--or many who are willing to take a penalty--to retire, causing a severe brain drain and creating a chasm of experienced government employees.

Thank you for the opportunity to provide testimony in strong opposition with serious concerns about the language and intent of S.B. 1354.

Respectfully submitted,

Randy Perreira  
Executive Director



HAWAII FIRE FIGHTERS ASSOCIATION  
INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS LOCAL 1463, AFL-CIO  
2305 S. BERETANIA ST., RM. 202, HONOLULU, HAWAII 96826-1493  
TEL: (808) 949-1566 FAX: (808) 952-6003  
[www.hawaiifirefighters.org](http://www.hawaiifirefighters.org)

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LATE TESTIMONY

THE SENATE  
THE TWENTY-SEVENTH LEGISLATURE  
REGULAR SESSION OF 2013  
COMMITTEE ON JUDICIARY AND LABOR

Testimony by

**S.B. No. 1354**

RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.

My name is Robert H. Lee, President of the Hawaii Fire Fighters Association, Local 1463, IAFF, AFL-CIO. On behalf of the more than 3,100 members, both active and retired professional fire fighters throughout the State, HFFA opposes S.B. No. 1354, which proposes to replace the flat percentage for post-retirement allowances with a graduated schedule of percentages.

As drafted, S.B. No. 1354, further diminishes the post retirement allowance to 1.25% and is unclear as to the applicability to current and future retirees that are members of the Employees' Retirement System.

We respectfully request the Committee hold S.B. No. 1354 in committee. Thank you for the opportunity to testify.