

STAND. COM. REP. NO. 3584

Honolulu, Hawaii

APR 08 2016

RE: H.B. No. 1370
H.D. 1
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 1370, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO DIVORCE,"

begs leave to report as follows:

The purpose and intent of this measure is to simplify and streamline the property division process of the Employees' Retirement System.

Specifically, the measure:

- (1) Creates statutory authority for the Employees' Retirement System to make direct payment to the former spouse of a member or retirant who has been awarded a portion of the member's or retirant's retirement benefits as part of a property division adjudicated, ordered, or decreed by a Family Court in a divorce proceeding; and
- (2) Appropriates moneys for the planning and expenditures necessary to implement the measure.

Your Committee received written comments in support of this measure from the Employees' Retirement System.

Your Committee finds that this measure will:



- (1) Ensure that a member's or retirant's retirement benefits are correctly divided pursuant to a divorce action award and promptly paid, with the appropriate tax consequences for both the member or retirant and the former spouse; and
- (2) Help align chapter 88, Hawaii Revised Statutes, to the federal Employee Retirement Income Security Act, which applies only to private employers.

Your Committee has amended this measure by:

- (1) Deleting the substantive provisions of the bill;
- (2) Replacing its contents with part II of S.B. No. 2346, S.D. 2, which similarly provides for the division of a retirant's retirement benefits pursuant to a divorce action and conforms appropriate tax consequences;
- (3) Adding an unspecified appropriation from the expense fund of the Employees' Retirement System for planning and expenditures necessary to implement the measure; and
- (4) Changing the effective date to July 1, 2076, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1370, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1370, H.D. 1, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

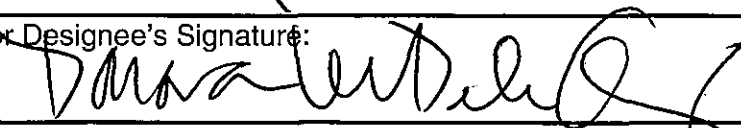


JILL N. TOKUDA, Chair



The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HB 1370, HD1, SD1	Committee Referral: SDL, WAM	Date: 3/31/16		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <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	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani				/
GALUTERIA, Brickwood	/			
HARIMOTO, Breene	/			
INOUYE, Lorraine R.	/			
RIVIERE, Gil	/			
TANIGUCHI, Brian T.				/
WAKAI, Glenn	/			
SLOM, Sam	/			
TOTAL	9			2
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				

*Only one measure per Record of Votes