

DAVID Y. IGE
GOVERNOR



THOMAS WILLIAMS
EXECUTIVE DIRECTOR

KANOE MARGOL
DEPUTY EXECUTIVE DIRECTOR

STATE OF HAWAII
EMPLOYEES' RETIREMENT SYSTEM

WRITTEN ONLY

TESTIMONY BY THOMAS WILLIAMS
EXECUTIVE DIRECTOR, EMPLOYEES' RETIREMENT SYSTEM
STATE OF HAWAII

TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON

HOUSE BILL NO. 2341, H.D. 1, S.D.1

April 4, 2018
10:30 A.M.
Conference Room 211

RELATING TO HAWAII QUALIFIED DOMESTIC RELATIONS ORDERS

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee,

House Bill No. 2341, H.D. 1, S.D. 1 would amend section 88-93.5 of Chapter 88, HRS, which authorizes the Employees' Retirement System of the State of Hawaii (ERS) to make payments directly to alternate payees as designated by the court in the distribution of property in divorce actions. This bill would (1) make consistent the benefits payable to alternate payees regardless of whether the qualified domestic relations order is certified prior to, or after, the member, former member with vested benefits status or retirant retires and (2) delays the implementation of Act 263 until the ERS is approved to expend adequate funds and resources to support the implementation costs associated with this Act.

As suggested by the Senate Committees on Labor and Judiciary during their joint committee hearing on March 22, 2018, we have attached corrective language to Sections 3 and 4 of H.B.



Employees' Retirement System
of the State of Hawaii

2341, H.D.1, S.D.1 to clarify its funding authorization and effective date. We request your consideration of adding this amendment to the current version of the bill.

The Board of Trustees of the Employees' Retirement System supports this legislation.

Thank you for this opportunity to provide testimony on H.B. 2341, H.D. 1, S.D. 1.

April 4, 2018

Senate Committee on Ways and Means
Attachment

Re: House Bill 2341, H.D. 1, S.D. 1 (ERS Amendment)
Relating to Qualified Domestic Relations Orders

The ERS is requesting the extension of the implementation of Act 263 to make necessary modifications to our IT system and internal processes to accommodate Hawaii Domestic Relations Orders.

The Employees' Retirement System's (ERS) expense fund will pay for these services and HB1900 HD1, includes such Authorization.

Our proposed amendment to Section 3 will authorize the ERS to make such expenditures in alignment with HB1900, HD1.

Our proposed amendment to Section 4 will authorize the delay in implementation of Act 263 from July 1, 2018 to July 1, 2020 and allows the ERS to make necessary modifications to our IT system and internal processes to accommodate Hawaii Domestic Relations Orders.

Please replace Sections 3 and 4 of H.B. 2341, H.D.1, S.D.1 with the following amended language:

SECTION 2. There is authorized out of the expense fund of the employees' retirement system, BUF141, the sum of \$1,485,000, or so much thereof as may be necessary for fiscal year 2018-2019, for computer and office automation to support the implementation of this Act.

SECTION 3. This Act shall take effect on June 30, 2018, provided that Section 2 shall take effect on July 1, 2018.

Should you have any questions regarding the above, please do not hesitate to contact Thomas Williams at (808) 586-1700 or at thomas.williams@hawaii.gov.

HB-2341-SD-1

Submitted on: 4/3/2018 3:59:44 AM

Testimony for WAM on 4/4/2018 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i	Support	No

Comments: