

Honolulu, Hawaii

February 12, 2019

RE: H.B. No. 981

H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 981 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 strengthen the ability of the Employees' Retirement System (ERS) to recover overpayments of retirement benefits by:

- (1) Specifying that overpayments of refunds and retirement benefits constitute a debt due and owing to the ERS;
- (2) Requiring the ERS to adopt and enforce rules for the recovery of retirement benefit overpayments; and
- (3) Enabling the ERS Board of Trustees or ERS Executive Director to waive the recovery of benefit overpayments in cases of bona fide hardship or where the costs of recovery would exceed the amount expected to be recovered.

ERS testified in support of this measure.



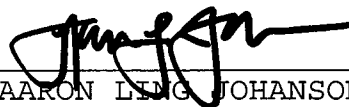
Your Committee has amended this measure by:

- (1) Changing its effective date to January 1, 2050, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee notes that the recovery waiver provisions in this measure affords the ERS with flexibility in recovering benefit overpayments in situations where there is bona fide hardship and in cases where it is not financially feasible.

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. 981, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 981, H.D. 1, and be referred to your Committee on Finance.

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



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AARON LING JOHANSON, Chair



