

STAND. COM. REP. NO.

1356

Honolulu, Hawaii

MAR 21 2019

RE: H.B. No. 981  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committee on Labor, Culture and the Arts, to which was referred H.B. No. 981, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Specify that overpayments and retirement benefits constitute a debt due and owing to the Employees' Retirement System by recipients of overpayments;
- (2) Authorize the Employees' Retirement System to adopt and enforce rules to recover retirement benefit overpayments; and
- (3) Authorize waiver of benefit overpayments in cases of hardship or where the costs of recovery exceed the amount to be recovered.

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

Your Committee finds that existing law is not clear regarding the Employees' Retirement System's ability to recover overpaid



benefit payments. This measure will strengthen the Employees' Retirement System's ability to recover overpaid benefit payments by declaring overpayments to be debts due and owing to the Employees' Retirement System and clarifying that overpayments are legally collectable. This measure will facilitate rulemaking for maximum recovery, the filing of legal collection actions and liens against real property of overpaid recipients, and the filing of claims against the estate of deceased recipients.

Your Committee has amended this measure by:

- (1) Clarifying that the recovery of retirement benefit overpayments shall be made in accordance with both applicable state law and federal regulations; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor, Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 981, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 981, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Labor, Culture and  
the Arts,

  
BRIAN T. TANIGUCHI, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Labor, Culture and the Arts**  
**LCA**

Bill / Resolution No.:*	Committee Referral:	Date:		
<i>HB 981, HD1</i>	<i>LCA, WAM</i>	<i>3-14-19</i>		
<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
TANIGUCHI, Brian T. (C)	✓			
IHARA, Jr., Les (VC)	✓			
CHANG, Stanley	✓			
GABBARD, Mike				✓
FEVELLA, Kurt	✓			
<b>TOTAL</b>	<i>4</i>	<i>0</i>	<i>0</i>	<i>1</i>
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<i>[Handwritten Signature]</i>				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

\*Only one measure per Record of Votes