

Honolulu, Hawaii

FEB 15 2019

RE: S.B. No. 1118
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 S.B. No. 1118 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) Authorize the Employees' Retirement System to recover overpaid benefit payments;
- (2) Require the Employees' Retirement System to adopt rules to effectuate the maximum recovery of overpayments; and
- (3) Allow the Board of Trustees or the Executive Director of the Employees' Retirement System to waive the recovery of an overpayment in cases of bona fide hardship or where the costs of recovery would exceed the amount expected to be recovered.

Your Committee received comments on 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.

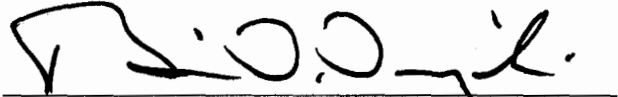
Your Committee has amended this measure by:

- (1) Inserting language proposed by the Employees' Retirement System to clarify that in addition to the remedies prescribed elsewhere in chapter 88, Hawaii Revised Statutes, for the recovery of benefits, recovery of an overpayment shall be made in accordance with applicable state law as well as federal regulations;
- (2) Inserting language proposed by the Employees' Retirement System to clarify that the Employees' Retirement System need only adopt rules pursuant to chapter 91, Hawaii Revised Statutes, as may be necessary to effectuate the maximum recovery of retirement benefit overpayments;
- (3) Inserting an effective date of January 1, 2051, to encourage further discussion; and
- (4) 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 S.B. No. 1118, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1118, 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.:* <i>SB 1118</i>	Committee Referral: <i>LCA, WAM</i>	Date: <i>2-7-19</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				✓
TOTAL	<i>3</i>	<i>0</i>	<i>0</i>	<i>2</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Les Ihara Jr.</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes