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TESTIMONY BY THOMAS WILLIAMS
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TO THE HOUSE COMMITTEE ON FINANCE
ON

HOUSE BILL NO. 2312, H.D. 1

February 25, 2020
12:30 P.M.
Conference Room 308

RELATING TO QUALIFIED DOMESTIC RELATIONS ORDERS

Chair Luke, Vice Chair Cullen, and Members of the Committee,

H.B. 2312, H.D. 1 proposes to amend section 88-93.5, Hawaii Revised Statutes (HRS), to clarify specific benefit- and processing-related details to facilitate its implementation and to provide transparency to Employees' Retirement System ("ERS") members, retirants, beneficiaries, and alternate payees regarding Hawaii Domestic Relations Orders. The ERS Board of Trustees strongly supports this proposal.

The ERS will begin processing Hawaii Domestic Relations Orders to allow the ERS to make direct payments to alternate payees on July 1, 2020. In order to facilitate its implementation and to provide transparency on ERS benefits payable to parties involved, this bill specifies the benefits payable and clarifies the process of the qualification, approval, and application of Hawaii Domestic Relations Orders. This bill clarifies the following: (1) that Hawaii Domestic Relations Orders apply to benefits the ERS member is expected to receive or is receiving, (2) that the release of a member's ERS information to an alternate payee may be initiated by a complaint for divorce or by a divorce decree, (3) that the ERS will notify the parties of the advisory nature of the review determination on proposed domestic relations orders, (4) that a Hawaii Domestic Relations Order applied to a termination refund will not apply to benefits that result from any future return to work., (5) that, should a retirant be deceased within a year of



Employees' Retirement System
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retirement, any payments made to an alternate payee will be considered payments to the retirant, should the beneficiary select an alternative benefit option, and (6) that the priority of multiple orders will be based upon the date of the receipt of the domestic relations order.

The ERS Board of Trustees strongly supports H.B. 2312, H.D. 1 and encourages its passage.

Thank you for this opportunity to testify.