

STAND. COM. REP. NO. 1257

Honolulu, Hawaii

MAR 25 2021

RE: H.B. No. 929
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Labor, Culture and the Arts, to which was referred H.B. No. 929, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO QUALIFIED DOMESTIC RELATIONS ORDERS,"

begs leave to report as follows:

The purpose and intent of this measure is to facilitate the Employees' Retirement System's (ERS) processing of Hawaii domestic relations orders by providing clarity on the processing procedure and benefits subject to the orders. Specifically, this measure clarifies that:

- (1) Hawaii domestic relations orders apply to benefits an ERS member is expected to receive or is receiving without regard to any Hawaii domestic relations order;
- (2) The release of an ERS member's information may be initiated by a complaint for divorce or a divorce decree;
- (3) The ERS may issue and provide notification as to whether a proposed domestic relations order meets the requirement for a Hawaii domestic relations order to the ERS member, former member with vested benefit status,



retirant, or alternate payee, in addition to the person who submitted the proposed domestic relations order;

- (4) A Hawaii domestic relations order that is enforced on a payout of benefits triggered by termination of ERS membership will not be applied to subsequent benefits resulting from the former member or former member with vested benefit status becoming an ERS member again;
- (5) Should a retirant be deceased within a year of retirement and the retirant's designated beneficiary elect to calculate the death benefit using the alternative benefit option, any payments made to an alternate payee pursuant to the terms of a Hawaii domestic relations order will be deducted as payments received by the retirant;
- (6) The priority of multiple orders will be determined based on the order in which the ERS receives the domestic relations order; and
- (7) The qualification of a domestic relations order shall supersede and terminate the qualification of any prior order between the same parties.

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

Your Committee finds that on July 1, 2020, ERS began its processing of Hawaii domestic relations orders to allow the ERS to directly disburse benefits to a member's former spouse or a spouse in a divorce action who is recognized under the order as an alternate payee. To facilitate the further implementation of Hawaii domestic relations orders and processing of the orders, there is a need to provide clarity on ERS's processing procedures and the types of benefits that are subject to the orders.

Your Committee notes that the companion to this measure, S.B. No. 1083, S.D. 1, which was previously passed by your Committee, is a substantially similar measure that provides clarity on the processing of Hawaii domestic relations orders and the types of benefits that are subject to orders. Your Committee finds that the language in S.B. No. 1083, S.D. 1, is preferable because it



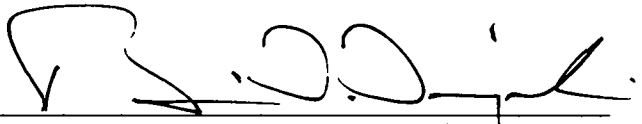
does not include multiple conflicting language as to how a Hawaii domestic relations order affects the benefits to which a retirant is entitled.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its contents and inserting the contents of S.B. No. 1083, S.D.1; 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. 929, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 929, H.D. 1, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.

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

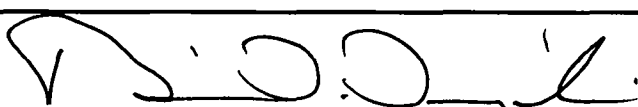


BRIAN T. TANIGUCHI, Chair



The Senate
 Thirty-First Legislature
 State of Hawai'i

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

Bill / Resolution No.:*	Committee Referral:	Date:		
HB929 HD1	LCA, JDC/WAM	3/19/2021		
<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	✓			
KEOHOKALOPE, Jarrett	✓			
FEVELLA, Kurt				✓
TOTAL	4	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes