

STAND. COM. REP. NO.

168

Honolulu, Hawaii

FEB 11 , 2021

RE: H.B. No. 1292
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Corrections, Military, & Veterans, to which was referred H.B. No. 1292 entitled:

"A BILL FOR AN ACT RELATING TO HAWAII NATIONAL GUARD RETIREMENT BENEFITS,"

begs leave to report as follows:

The purpose of this measure is to require the Board of Trustees of the Employees' Retirement System to conduct a study on retirement benefits for Hawaii National Guard members who are activated under state active duty orders and Hawaii National Guard members who are retired, and submit findings and recommendations to the Legislature prior to the Regular Session of 2022.

Your Committee received testimony in support of this measure from the Department of Defense, Hawaii National Guard Enlisted Association, and two individuals. Your Committee received testimony in opposition to this measure from the Board of Trustees of the Employees' Retirement System.

Your Committee finds that the Employees' Retirement System is precluded from using its resources for purposes other than the exclusive benefit of its members. If passed, this measure would benefit an activated national guard population of employees and retirees who are not employees or retirees of the State or county and are ineligible to become members or retirees of the Employees'

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Retirement System, in conflict with Employees' Retirement System's tax exempt status and creating potential adverse impacts on the State's unfunded liability.

Your Committee further finds that the more appropriate option would be to pursue a potential retirement program through the Department of Human Resources Development, which currently administers a deferred compensation retirement plan for part-time, temporary, and seasonal or casual employees of the State.

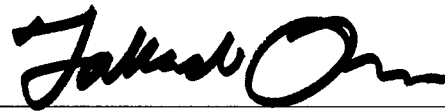
Accordingly, your Committee has amended this measure by:

- (1) Providing for service credit for time in service when military personnel are called to active duty in the State;
- (2) Including members of the Hawaii National Guard ordered into active service by the Governor in the definition of "employee" under certain circumstances, for purposes of the state deferred compensation retirement plan;
- (3) Requiring the Department of Human Resources Development, rather than the Board of Trustees of the Employees' Retirement System, to conduct the study, and adjusting the parameters of the study;
- (4) Changing the effective date to July 1, 3050, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Corrections, Military, & Veterans that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1292, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1292, H.D. 1, and be referred to your Committee on Labor & Tourism.



Respectfully submitted on
behalf of the members of the
Committee on Corrections,
Military, & Veterans,



TAKASHI OHNO, Chair



