



STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
KA 'OIHANA PONO LIMAHANA

March 29, 2023

To: The Honorable Scot Z. Matayoshi, Chair,
The Honorable Andrew Takuya Garrett, Vice Chair, and
Members of the House Committee on Labor and Government Operations

Date: Wednesday, March 29, 2023
Time: 10:00 a.m.
Place: Conference Room 309, State Capitol

From: Jade T. Butay, Director
Department of Labor and Industrial Relations (DLIR)

Re: H.C.R No. 82 / H.R. 87 REQUESTING THE DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS TO PROVIDE AND PRODUCE UPDATED ACTUARIAL STUDIES REGARDING THE LIFESPAN PROBABILITIES OF SURVIVING DEPENDENT BENEFICIARIES FOR THE PURPOSE OF APPLYING HAWAII'S WORKERS' COMPENSATION LAW.

I. OVERVIEW OF PROPOSED LEGISLATION

The DLIR **supports the intent** and offers comments on this measure. HCR82/HR87 request the Department of Labor and Industrial Relations (DLIR) to provide and produce updated actuarial studies regarding the lifespan probabilities of surviving dependent beneficiaries for the purpose of applying Hawaii's Workers' Compensation Law. The DLIR is requested to complete this study and report no later than thirty days prior to the convening of the Regular Session of 2024.

II. CURRENT LAW

§386-41 specifically states if there is no dependent widow, widower, or reciprocal beneficiary, or child, but there is a dependent parent, the weekly workers' compensation rate to the parent, if wholly dependent shall be fifty percent, or, if partially dependent, twenty five percent. Prevailing average weekly wages based on the year of the injury are utilized to calculate dependent benefit calculations.

§386-42(a)(1)(3) states if a parent or grandparent, if actually dependent upon the deceased, (b) A person shall be deemed to be actually dependent upon the deceased, if the deceased contributed all or a substantial portion of the living expenses of that person at the time of the injury.

II. COMMENTS ON THE HOUSE CONCURRENT RESOLUTION

DLIR supports efforts to research and obtain updated data for the purpose of assessing appropriate benefit amounts to surviving dependent beneficiaries. DLIR recognizes the value of a prior study conducted in 1963, however, acknowledges the need to update this study. The DLIR does not have the specialized experts to analyze and assess the lifespan probabilities of surviving dependent beneficiaries. Therefore, DLIR will need to secure an actuary disciplined in fiscal risks in the insurance and finance fields to fulfill the obligation of the Resolution.

The DLIR will require funding to procure a contract to fulfill these obligations and seeks additional time to present the findings.