

STAND. COM. REP. NO. **277**-24

Honolulu, Hawaii

**FEB 13**, 2024

RE: H.B. No. 1644  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Labor & Government Operations, to which was referred H.B. No. 1644 entitled:

"A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM,"

begs leave to report as follows:

The purpose of this measure is to include overtime in the definition of "compensation" for members of the Employees' Retirement System hired after July 1, 2012, when an employee has been directed by their supervisor or an appropriate authority to work more than their normal hours of service to perform specific duties and tasks related to an active emergency proclamation.

Your Committee received testimony in support of this measure from the United Public Workers, AFSCME Local 646, AFL-CIO; and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO. Your Committee received testimony in opposition to this measure from the Department of Budget and Finance; Employees' Retirement System; Department of Budget and Fiscal Services of the City and County of Honolulu; and Grassroot Institute of Hawaii.

Your Committee finds that over the past few years, many public employees have been directed to support the public during times of emergency. Unfortunately, for newer public employees who were hired after July 1, 2012, overtime is not currently included

2024-1205 HB1644 HD1 HSCR HMSO



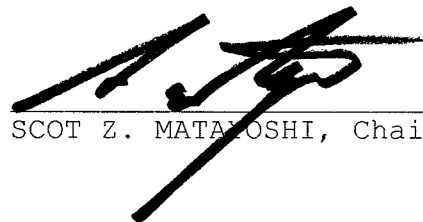
in their pension calculation. This measure includes this type of overtime in the definition of "compensation" so that it will ultimately be used in an employee's pension calculation.

Your Committee has amended this measure by:

- (1) Narrowing the scope of overtime considered as compensation when performing duties and tasks due to a natural disaster under an active emergency proclamation to those that serve the immediate well-being of the public;
- (2) Specifying that overtime worked prior to July 1, 2024, shall not be included in pension calculations;
- (3) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (4) 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 Labor & Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1644, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1644, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Labor & Government  
Operations,

  
SCOT Z. MATAYOSHI, Chair



