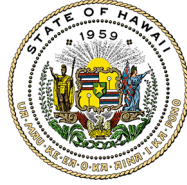


JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



KENNETH S. HARA
MAJOR GENERAL
ADJUTANT GENERAL
KA 'AKUKANA KENELALA

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KA HOPE 'AKUKANA KENELALA

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF DEFENSE
KA 'OIHANA PILI KAUA
OFFICE OF THE ADJUTANT GENERAL
3949 DIAMOND HEAD ROAD
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STATE OF HAWAI'I
DEPARTMENT OF DEFENSE

TESTIMONY ON HOUSE BILL 2395 HD1
RELATING TO THE HAWAII NATIONAL GUARD

BEFORE THE COMMITTEE ON PUBLIC SAFETY AND INTERGOVERNMENTAL
AND MILITARY AFFAIRS AND COMMITTEE ON LABOR AND TECHNOLOGY

BY

MAJOR GENERAL KENNETH S. HARA
ADJUTANT GENERAL
AND DIRECTOR OF HAWAII EMERGENCY MANAGEMENT AGENCY

MARCH 15, 2024

Aloha Chair Wakai, Chair Aquino, Vice Chair Elefante, Vice Chair Moriwaki, and members of the committees:

I am MG Kenneth S. Hara, Adjutant General and Director of Hawaii Emergency Management Agency, State of Hawaii, Department of Defense.

The Department of Defense (DEF) provides written testimony in **SUPPORT** of HB2395 HD1.

This measure amends Hawai'i Revised Statutes (HRS) Chapter 88, Part II regarding the Employees' Retirement System (ERS) and provides an exemption for Hawai'i National Guard (HING) Servicemembers serving on State Active Duty (SAD) from requiring enrollment into the ERS once the Servicemember exceeds 90 days of service on SAD.

We have seen an increase in natural disasters throughout the State resulting in numerous HING Servicemembers being ordered to SAD in response for extended periods. With each activation, HING Servicemembers are asked to serve in an indeterminate timeframe, which has recently often exceeded 90 days. After a Servicemember exceeds 90 days on SAD, they are afforded certain employment rights as a temporary State employee, such as mandatory enrollment in the ERS.

However, to require HING Servicemembers exceeding 90 days on SAD orders to contribute to the ERS would result in them sacrificing earned compensation on a benefit they will never receive. Many Servicemembers who are ordered to SAD status are not current State or County employees in their civilian occupations and subsequently will never vest in the state's ERS nor receive the benefits of their ERS contributions. When the Servicemember requests a refund payment, the ERS will withhold at least 20% of the taxable portion of the refund and pay the Servicemember the remaining balance. The taxable portion of the contributions must also be rolled over into an IRA within 60 days of receipt of payment, and the refund is subject to an additional 10% federal income tax on the taxable portion of the refund payment for those below the age of 55. Additionally, the state will be unnecessarily burdened with expending additional resources to return the ERS contributions back to the Servicemember.

If passed, the bill will exempt HING Servicemembers from enrolling in the ERS for SAD periods that exceed 90 days. This will allow our Servicemembers to retain all their earned SAD compensation and help ensure an uninterrupted response force capability to the State.

The HING places great value on selfless service to the State of Hawai'i, as well as the well-being of our dedicated women and men of the HING who support the State during times of need. Please pass this bill and help our HING Servicemembers remain focused on their duty.

Thank you for the opportunity to provide testimony in SUPPORT of HB2395 HD1.

MG Kenneth S. Hara, Kenneth.s.hara@hawaii.gov; 808-672-1001

JOSH GREEN, M.D.
GOVERNOR



THOMAS WILLIAMS
EXECUTIVE DIRECTOR

KANOE MARGOL
DEPUTY EXECUTIVE DIRECTOR

STATE OF HAWAII
EMPLOYEES' RETIREMENT SYSTEM

TESTIMONY BY THOMAS WILLIAMS
EXECUTIVE DIRECTOR, EMPLOYEES' RETIREMENT SYSTEM
STATE OF HAWAII

**TO THE SENATE COMMITTEES ON PUBLIC SAFETY AND INTERGOVERNMENTAL
AND MILITARY AFFAIRS
AND LABOR AND TECHNOLOGY
ON**

HOUSE BILL NO. 2395 H.D. 1

March 15, 2024

3:00 P.M.

Conference Room 225 and VIA Videoconference

RELATING TO THE HAWAII NATIONAL GUARD.

Chairs Wakai and Aquino, Vice Chairs Elefante and Moriwaki, and Members of the Committees,

H.B. 2395 H.D. 1 proposes to exclude any member of the Hawaii National Guard (HING) who is ordered into State active duty (SAD) from membership in the Employees' Retirement System (ERS). It proposes a new Section in Chapter 88 of the Hawaii Revised Statutes (HRS) as well as amending the description of "Active service" under HRS § 121-29. The Employees' Retirement System (ERS) staff is providing the following comments.

Section 88-__ of H.B. 2395 H.D. 1 makes members of HING under SAD orders ineligible for ERS membership by virtue of their active duty while reinforcing that ERS membership may be maintained based on other State or county employment. The bill also affirms that ERS members on HING SAD orders may be eligible for service and compensation to be included in benefits calculations ("eligible compensation"), and that the employer provides payment of employee contributions pursuant to HRS § 88-132 as enumerated under subsection (c) of the bill.

Thank you for the opportunity to provide testimony on H.B. 2395 H.D. 1.



Employees' Retirement System
of the State of Hawaii



FROM: Senior Master Sergeant (Retired) Maui Quizon, President, Hawaii National Guard Enlisted Association

TO: The House Committee on Labor & Government Operations

DATE: March 12, 2024

SUBJECT: Testimony on House Bill 2395, Relating to Emergency Management

Aloha Chair Matayoshi, Vice-Chair Garrett, and Members of the Committee: :

I am Maui Quizon, a retired Senior Master Sergeant, and President of the Hawaii National Guard Enlisted Association, a non-profit veterans organization dedicated to advocating for the welfare of over 4,600 enlisted soldiers and airmen of the Hawaii National Guard. I am submitting this written testimony in favor of HB2395.

Our Hawaii National Guard soldiers and airmen take immense pride in serving the people and government of Hawaii in times of crisis. The Hawaii National Guard's recent efforts include responding to the Puna lava flow, providing statewide assistance during the COVID-19 pandemic, and supporting the island of Maui after the wildfires.

Our soldiers and airmen promptly heed the call of the community. However, mandatory enrollment in the Employees' Retirement System of the State of Hawaii (ERS) reduces their take-home pay during periods of State Active-Duty service. Since most guardsmen do not work for the State and may not accumulate enough credited service for a state retirement, their mandatory ERS contributions do not benefit them. Exempting Hawaii National Guard members from mandatory ERS enrollment would alleviate this burden. It would also allow current ERS members within the Hawaii National Guard to continue accruing credited service during State Active Duty.

I appreciate the opportunity to provide testimony IN SUPPORT OF HB 2395, which seeks to exempt Hawaii National Guard members from mandatory ERS enrollment. Thank you.

R. Maui Quizon

R. MAUI QUIZON, SMSgt (Retired), HIANG
President, Hawaii National Guard Enlisted Association