

DAVID Y. IGE
GOVERNOR



THOMAS WILLIAMS
EXECUTIVE DIRECTOR

KANOE MARGOL
DEPUTY EXECUTIVE DIRECTOR

STATE OF HAWAII
EMPLOYEES' RETIREMENT SYSTEM

TESTIMONY BY KANOE MARGOL
DEPUTY EXECUTIVE DIRECTOR, EMPLOYEES' RETIREMENT SYSTEM
STATE OF HAWAII

TO THE SENATE COMMITTEES ON THE JUDICIARY AND WAYS AND MEANS

ON

HOUSE BILL NO. 929, H.D. 1, S.D. 1

April 6, 2021
Time 9:55 A.M.
Conference Room 211

RELATING TO QUALIFIED DOMESTIC RELATIONS ORDERS

Chairs Rhoads and Dela Cruz, Vice Chairs Keohokalole and Keith-Agaran, and Members of the Committees,

H.B. 929, H.D. 1, S.D. 1 proposes to amend section 88-93.5, Hawaii Revised Statutes (HRS), to clarify specific benefit- and processing-related details to facilitate its implementation and to provide transparency to Employees' Retirement System ("ERS") members, retirants, beneficiaries, and alternate payees regarding Hawaii Domestic Relations Orders. The ERS Board of Trustees strongly supports this proposal.

The ERS began processing Hawaii Domestic Relations Orders to allow the ERS to make direct payments to alternate payees on July 1, 2020. In order to facilitate its current implementation and to provide clarity and transparency on ERS benefits payable to parties involved, this bill specifies the benefits payable and clarifies the process of the qualification, approval, and application of Hawaii Domestic Relations Orders.

This bill clarifies the following: (1) that the release of a member's ERS information to an alternate payee may be initiated by a complaint for divorce or by a divorce decree, (2) that the ERS will notify the parties of the advisory nature of the review determination on proposed domestic relations orders, (3) that a Hawaii Domestic Relations Order applied to a termination refund will not apply to benefits that result from any future return to



Employees' Retirement System
of the State of Hawaii

work, (4) that, should a retirant be deceased within a year of retirement, any payments made to an alternate payee will be considered payments to the retirant, should the beneficiary select an alternative benefit option, and (5) that the priority of multiple orders will be based upon the date of the receipt of the domestic relations order.

The ERS Board of Trustees strongly supports H.B. 929, H.D. 1, S.D. 1 and encourages its passage.

Thank you for this opportunity to testify.