

Honolulu, Hawaii

FEB 14 2020

RE: S.B. No. 2868
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Labor, Culture and the Arts, to which was referred S.B. No. 2868 entitled:

"A BILL FOR AN ACT RELATING TO QUALIFIED DOMESTIC RELATIONS ORDERS,"

begs leave to report as follows:

The purpose and intent of this measure is to clarify that:

- (1) Hawaii Domestic Relations Orders apply to benefits that a Employees' Retirement System (ERS) member is expected to receive or is receiving;
- (2) Release of a member's ERS information may be initiated by a complaint for divorce or a divorce decree;
- (3) The ERS will notify the parties of the advisory review determination on proposed domestic relations orders;
- (4) A Hawaii Domestic Relations Order applied to a termination refund will not apply to any future return to work benefits;
- (5) 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



- (6) The priority of multiple orders will be based upon the date of the receipt of the domestic relations order.

Your Committee received testimony in support of this measure from the State of Hawaii Employees' Retirement System.

Your Committee finds that the Employees' Retirement System will begin processing Hawaii Domestic Relations Orders to allow the Employees' Retirement System to make direct payments to alternate payees on July 1, 2020. In order to facilitate its implementation and to provide transparency regarding benefits payable to parties involved, there is need to specify the benefits payable and clarify the process of the qualification, approval, and application of Hawaii Domestic Relations Orders.

Your Committee has amended this measure by:

- (1) Making clarifying amendments to the language of this measure;
- (2) Inserting an effective date to July 1, 2051, to encourage further discussion;
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor, Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2868, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2868, S.D. 1, and be referred to your Committee on Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Labor, Culture and
the Arts,


BRIAN T. TANIGUCHI, Chair



