



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

March 20, 2023

To: The Honorable Sharon Y. Moriwaki, Chair,
The Honorable Chris Lee, Vice Chair, and
Members of the House Committee on Labor and Technology

Date: Monday, March 20, 2023

Time: 3:05 p.m.

Place: Conference Room 224, State Capitol

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

Re: S.C.R No. 208 / S.R. 148 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. SCR208/SR148 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.

II. COMMENTS ON THE SENATE CONCURRENT AND SENATE RESOLUTION

The Department 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 the prior study conducted in 1963, however, acknowledges the need to update this study since Hawaii's cost of living

and prevailing maximum benefit rate have substantially changed since 1963. 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 fulfil the obligation of the Resolution.

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