

ORIGINAL

EXECUTIVE CHAMBERS

HONOLULU

JUNE 10, 1999

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 1416

Honorable Members
Twentieth Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 1416, entitled "A Bill for an Act Relating to the Employees' Retirement System."

The purpose of House Bill No. 1416 is to provide deputy sheriffs in the Department of Public Safety with the option to have retirement benefits similar to other high-risk occupations, such as police officers. Currently, the deputy sheriffs' retirement benefits are the same as most state employees. This bill allows deputy sheriffs the option to convert from class C (noncontributory) membership to class A (contributory) membership effective July 1, 1999, provided that any credited class C service prior to July 1, 1999, will remain class C. New deputy sheriffs who are hired after June 30, 1999, are required to become class A members.

I believe that it is not appropriate, when fiscal and budgetary restraint needs to be exercised, to permit such enhancement of retirement benefits. Depending upon the number of class C deputy sheriffs who elect to convert to class A membership, the Employees' Retirement System's actuary has determined that this bill would increase the unfunded actuarial accrued liability of the Employees' Retirement System between \$200,000 and \$3,200,000, and increase annual state general fund appropriations to the Employees' Retirement System pension accumulation fund to between \$500,000 and \$800,000.

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For the foregoing reasons, I am returning House Bill
No. 1416 without my approval.

Respectfully,

A handwritten signature in black ink, reading "Benjamin J. Cayetano". The signature is written in a cursive style with a large, stylized initial "B".

BENJAMIN J. CAYETANO
Governor of Hawaii

P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of his plan to return with his objections any bill presented to him less than ten days before adjournment sine die or presented to him after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 1416, entitled "A Bill for an Act Relating to the Employees' Retirement System," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 1416 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 1416 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 10th
day of June, 1999.


BENJAMIN J. CAYETANO
Governor of Hawaii