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# A BILL FOR AN ACT

RELATING TO EMPLOYEES' RETIREMENT SYSTEM BENEFIT ENHANCEMENT  
MORATORIUM.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The purpose of this Act is to assist the  
2 employees' retirement system in improving and protecting its  
3 funded status by placing a moratorium on the enhancement of  
4 benefits until the system's funded ratio is one hundred per  
5 cent. If future legislatures grant additional benefits (which  
6 include earlier retirements), the time it will take the  
7 employees' retirement system to become fully funded will be  
8 lengthened, perhaps significantly, depending upon the level of  
9 enhancements granted.

10           SECTION 2. Chapter 88, Hawaii Revised Statutes, is amended  
11 by adding a new section to part II to be appropriately  
12 designated and to read as follows:

13           "§88-    Moratorium on benefit enhancements. There shall  
14 be no benefit enhancements under this chapter for any group of  
15 members, including any reduction of retirement age, until such  
16 time as the actuarial value of the system's assets is one  
17 hundred per cent of the system's actuarial accrued liability."



- 1 SECTION 3. New statutory material is underscored.
- 2 SECTION 4. This Act shall take effect upon its approval.



**Report Title:**

Employees' Retirement System; Moratorium on Benefit Enhancements

**Description:**

Institutes a moratorium on the enhancement of Employees' Retirement System benefits until the system's funded ratio is one hundred per cent. (HB1035 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

