

STAND. COM. REP. NO.

729

Honolulu, Hawaii

MAR 04 2011

RE: S.B. No. 1341  
S.D. 2

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2011  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 1341, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM,"

begs leave to report as follows:

The purpose and intent of this measure is to amend the retirement benefits for state and county employees who become members of the Employees' Retirement System (ERS) after June 30, 2012.

Your Committee finds that this measure addresses the unfunded liability of the ERS. Your Committee also finds that this measure will affect only new ERS members by reducing the benefits that they would accrue, as compared to those of current ERS members. Your Committee believes that the date to which this measure applies should be set as early as possible to prevent a sudden rush of hiring.

Your Committee has amended this measure by:


- (1) Changing the date of hire of public employees to which this measure applies to an unspecified date;
- (2) Adding provisions to retain the "retire at any age" benefit for judges who qualify for the benefit;



- (3) Clarifying that, for the purposes of calculating the retirement allowance for a member who first earned credited service as a judge after the date of hire for which this measure applies, the applicable age to consider is fifty-five, rather than fifty;
- (4) Clarifying the average final compensation calculation formula for a member who has credited service as an elected officer or a legislative officer as well as credited service as a judge and who became an ERS member after the date of hire for which this measure applies by stating that, for the purpose of calculating the member's AFC as a judge, the average compensation of the member's highest five years of service as a judge, as opposed to the highest three years, will be used;
- (5) Correcting various citations; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1341, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1341, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



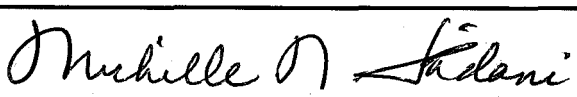
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DAVID Y. IGE, Chair



The Senate  
 Twenty-Sixth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1341, SD1	JDL, WAM	2-25-11		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	/			
KIDANI, Michelle N. (VC)	/			
CHUN OAKLAND, Suzanne	/			
DELA CRUZ, Donovan M.	/			
ENGLISH, J. Kalani				✓
ESPERO, Will	/			
FUKUNAGA, Carol	/			
KIM, Donna Mercado	/			
KAHELE, Gilbert	/			
KOUCHI, Ronald D.				✓
RYAN, Pohai	/			
TOKUDA, Jill N.	/			
WAKAI, Glenn	/			
SLOM, Sam	/			
<b>TOTAL</b>	12	0	0	0
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

\*Only one measure per Record of Votes