

Honolulu, Hawaii

MAY 01 2012

RE: S.B. No. 1269
S.D. 2
H.D. 2
C.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1269, S.D. 2, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE DEFINITION OF COMPENSATION FOR PURPOSES OF THE EMPLOYEES' RETIREMENT SYSTEM,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to revise the method of computing the Employees' Retirement System pension benefits for employees hired after June 30, 2011, and keeping the existing computation method for employees hired before July 1, 2011. Specifically, this measure defines "compensation" for employees hired after June 30, 2011, as:

- (1) The normal periodic payments of money for service, shortage differentials, elective salary reduction contributions, and twelve-month differentials for Department of Education employees; and



- (2) Excluding additional or extra payments, including overtime, bonuses, supplementary payments, lump sum salary supplements, allowances, or differentials, not expressly authorized in statute.

Your Committee on Conference finds that this measure addresses the unfunded liability of the Employees' Retirement System and is an important step in improving its long-term viability.

Your Committee on Conference has amended this measure by:

- (1) Updating year references throughout the measure to 2012, so that the provisions apply to employees hired before July 1, 2012, and employees hired after June 30, 2012;
- (2) Replacing references to "employee" with "member" to align with existing statutory language;
- (3) Changing the effective date to June 30, 2012; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1269, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1269, S.D. 2, H.D. 2, C.D. 1.

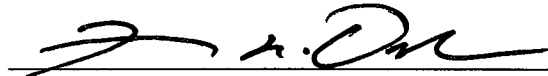


Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE




KARL RHOADS, Co-Chair



MARCUS R. OSHIRO, Co-Chair

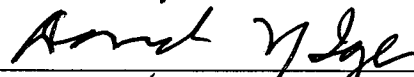
ON THE PART OF THE SENATE



CLAYTON HEE, Chair



MAILE SHIMABUKURO, Co-Chair



DAVID Y. IGE, Co-Chair



Record of Votes of a Conference Committee

Bill / Concurrent Resolution No.: SB 1269, SD 2, HD 2	Date/Time: 4/27/2012 2:30pm
---	--------------------------------

The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
---	---

Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
HEE, Clayton, Chr.	/	/			RHOADS, Karl, Co-Chr.	/	/		
SHIMABUKURO, Maile S.L., Co-Chr.	/	/			OSHIRO, Marcus R., Co-Chr.	/	/		
IGE, David Y., Co-Chr.	/				YAMASHITA, Kyle T.	/	/		
SLOM, Sam				/	FONTAINE, George R.	/	/		
TOTAL	3			1	TOTAL	4			

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
---	--

Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature:
--	---

Distribution: **Original** **Yellow** **Pink** **Goldenrod**
 File with Conference Committee Report House Clerk's Office Senate Clerk's Office Drafting Agency