



GOV. MSG. NO. 1187

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

June 5, 2015

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Twenty-Eighth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Joseph M. Souki,
Speaker and Members of the
House of Representatives
Twenty-Eighth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Souki, and Members of the Legislature:

This is to inform you that on June 5, 2015, the following bill was signed into law:

SB1090 SD2 HD1 CD1

RELATING TO THE EMPLOYEES' RETIREMENT
SYSTEM
ACT 087 (15)

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

A BILL FOR AN ACT

RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.

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

1 SECTION 1. Section 88-103.7, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "[~~§~~88-103.7~~]~~ Information from the State and counties.

4 (a) To fulfill its responsibilities under this chapter, the
5 system [~~may~~] shall require any department or agency of the State
6 or counties to furnish information to the system to carry out
7 the purposes of this chapter. The system [~~may~~] shall specify
8 the format in which the information shall be furnished. Without
9 limitation of the foregoing, the system [~~may~~] shall require that
10 information be furnished in electronic format and that
11 information with respect to payroll and personnel transactions:

12 (1) Allocate payments, including bonuses, salary
13 adjustments, payments for compensatory time, and
14 workers' compensation, to monthly or other periods as
15 requested by the system; [~~and~~]

16 (2) Specify the purpose or nature of the payment [~~-~~]; and

17 (3) Indicate any changes or errors in payments that
18 require correcting or updating.



1 (b) All departments and agencies of the State or counties
2 shall furnish the information required by the system pursuant to
3 this section in the format required by the system. The system
4 shall notify each department or agency of the State or counties
5 that is required to furnish information to the system of any
6 change in the required format for the information. Each
7 department or agency shall have one hundred eighty days from the
8 date of the receipt of the notice of a change in the required
9 format to update the format in which the required information is
10 provided to the system.

11 (c) If a department or agency of the State or county fails
12 to furnish the system with the information required pursuant to
13 this section in the format required by the system, the State or
14 county shall pay to the system, on the first day of the fiscal
15 year following the fiscal year in which the failure to furnish
16 the required information occurred, an amount equal to the
17 employer contributions payable by the State or county, relative
18 to the department or agency that is not in compliance with this
19 section, during the fiscal year in which the failure to furnish
20 the required information occurred. This amount shall be applied



1 to contributions required under section 88-124 for the State and
2 section 88-126 for the counties.

3 (d) If full payment of the amount required under
4 subsection (c) is not made by the State or county on the first
5 day of the fiscal year, then:

6 (1) Any unpaid amounts shall bear interest at the rate
7 equal to the investment yield rate assumption in
8 effect for actuarial valuations of the system; and

9 (2) Any payments received by the system for the State or
10 county, except for payments made pursuant to sections
11 88-46, 88-100, and 88-326, shall be applied first to
12 accrued interest and then to the amount required to be
13 paid under subsection (c).

14 (e) The system may waive the requirements of subsections
15 (c) and (d) if the system determines, in its sole discretion,
16 that the failure by the department or agency to furnish the
17 required information in the required format is the result of an
18 unforeseen system failure, natural disaster, or other unforeseen
19 event.

20 (f) The system shall annually submit to the department of
21 budget and finance and the legislature, not later than twenty



1 days prior to the convening of each regular session, a report
2 that details the following for the current fiscal year:

- 3 (1) Any department or agency of the state or counties that
4 failed to comply with this section; and
5 (2) Any amounts required to be paid under subsection (c),
6 including the anticipated amounts payable in the
7 upcoming fiscal year, and identification of any state
8 budget programs that may be affected."

9 SECTION 2. The employees' retirement system shall submit
10 to the legislature reports on the progress of state and county
11 departments and agencies in their efforts to comply with section
12 88-103.7, Hawaii Revised Statutes, as amended by this Act, by
13 July 1, 2020. The reports shall be submitted at least twenty
14 days prior to the convening of the regular sessions of 2016,
15 2017, 2018, 2019, and 2020.

16 All state and county departments and agencies shall
17 cooperate with the employees' retirement system when the system
18 makes reasonable requests for information.

19 SECTION 3. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.



1 SECTION 4. This Act shall take effect on July 1, 2020;
2 provided that section 2 shall take effect upon approval.

APPROVED this 5 day of JUN, 2015



GOVERNOR OF THE STATE OF HAWAII