

JAN 23 2015

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. The legislature finds that inaccurate reporting
2 of payroll and personnel information has the potential to cause
3 the inaccurate calculation of pension amounts by the employees'
4 retirement system. Under section 88-103.7, Hawaii Revised
5 Statutes, the employees' retirement system has the authority to
6 request payroll information from departments and agencies of the
7 state and county governments; however, there is no provision of
8 law providing a penalty or remedy for the failure to provide
9 requested information to the employees' retirement system.

10 The purpose of this Act is to ensure that the employees'
11 retirement system is provided with accurate payroll and
12 personnel information so that it can accurately calculate
13 pension amounts and to establish penalties and remedies against
14 departments and agencies of the state and county governments.

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



1 "~~+~~§88-103.7~~+~~ Information from the State and counties.

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

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

14 (2) Specify the purpose or nature of the payment~~-~~; and

15 (3) Indicate any changes or errors in payments that
16 require correcting or updating.

17 (b) All departments and agencies of the State and
18 counties, as applicable, shall furnish the information required
19 by the system pursuant to this section in the format required by
20 the system. The system shall notify each department or agency
21 of the State or counties that is required to furnish information



1 to the system of any change in the required format for the
2 information. Each department or agency shall have one hundred
3 eighty days from the date of receipt of the notice of a change
4 in the required format to update the format in which the
5 required information is provided to the system.

6 (c) If a department or agency of the State or county fails
7 to furnish the system with the information required pursuant to
8 this section, the State or county shall pay to the system, on
9 the first day of the fiscal year following the fiscal year in
10 which the failure to furnish the required information occurred,
11 an amount equal to the employer contributions payable by the
12 State or county resulting from the department or agency that is
13 not in compliance with this section during the fiscal year in
14 which the failure to furnish the required information occurred.
15 This amount shall be applied to contributions required under
16 section 88-124 for the State and section 88-126 for the
17 counties.

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



- 1 (1) Any unpaid amounts shall bear interest at the rate
2 equal to the investment yield rate assumption in
3 effect for actuarial valuations of the system; and
- 4 (2) Any payments received by the system for the State or
5 county, except for payments made pursuant to sections
6 88-46, 88-100, and 88-326, shall be applied first to
7 accrued interest and then to the amount required to be
8 paid under subsection (c).
- 9 (e) The system may waive the requirements of subsections
10 (c) and (d) if the system determines, in its sole discretion,
11 that the failure by the department or agency to furnish the
12 required information in the required format is the result of an
13 unforeseen system failure, natural disaster, or other unforeseen
14 event.
- 15 (f) The system shall annually submit to the department of
16 budget and finance and legislature, no later than twenty days
17 prior to the convening of each regular session, a report that
18 details the following for the current fiscal year:
- 19 (1) Any department or agency of the State or counties that
20 has been found in violation of this section; and



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1 (2) Any amounts required to be paid under subsection (c),
 2 including the anticipated amounts payable in the
 3 upcoming fiscal year, and identification of any state
 4 budget programs that may be affected."

5 SECTION 3. Statutory material to be repealed is bracketed
 6 and stricken. New statutory material is underscored.

7 SECTION 4. This Act shall take effect on July 1, 2015.

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Report Title:

Employees' Retirement System; Reporting of Payment Changes or Errors

Description:

Requires the ERS to require departments and agencies of the state and county governments to provide accurate payroll and personnel information to the ERS. Establishes penalties and remedies for the failure to provide required information to the ERS.

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

