

Honolulu, Hawaii

April 10, 2015

RE: S.B. No. 1087
S.D. 1
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 1087, S.D. 1, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to help reduce the unfunded liabilities of the Employees' Retirement System (ERS) by clarifying the return of accumulated contributions for ERS members and the payment of death benefits for hybrid plan members. Specifically, this measure:

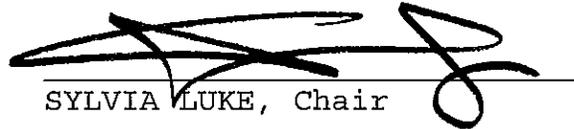
- (1) Allows members who terminate service before age 62 to take a refund at age 62 or delay the mandatory refund for four calendar years after the date of termination, whichever is later, thus providing the member the opportunity to become re-employed and to earn retirement eligibility; and
- (2) Corrects the discrepancy between the vesting requirements for a refund of retirement contributions after termination of service and for vested death benefits for hybrid plan members, who die after terminating service but prior to retirement.

The ERS testified in support of this measure.



As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1087, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



SYLVIA LUKE, Chair



