

Honolulu, Hawaii

March 24, 2015

RE: S.B. No. 1089
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 Labor & Public Employment, to which was referred S.B. No. 1089, S.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 assist the Employees' Retirement System in improving and protecting its funded status by properly funding membership service credit for contributory and hybrid members. Specifically, this measure:

- (1) Gives members one year after returning from an unpaid leave of absence to make the required retirement contributions in order to obtain service credit for the unpaid leave;
- (2) Requires, rather than allows, members receiving workers' compensation benefits to have contributions deducted from the members' workers' compensation benefits;
- (3) Establishes separate requirements for the acquisition of membership service credit by contributory and hybrid members, depending upon whether deductions commence or a lump sum payment is made after June 30, 2020;



- (4) Establishes one-year deadlines for lump sum payments by contributory and hybrid members for membership service credit;
- (5) Establishes one-year deadlines for contributory and hybrid members who become members after June 30, 2016, to claim membership service credit for prior service, military service, or other service credit; and
- (6) Makes technical, nonsubstantive amendments for clarity, consistency, and style.

The Employees' Retirement System supported this measure.

Your Committee has amended this measure by changing the effective date to upon its approval.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1089, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1089, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,



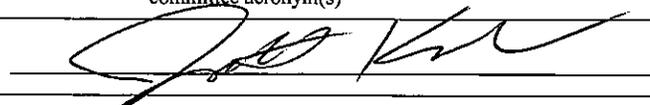
MARK M. NAKASHIMA, Chair



State of Hawaii
House of Representatives
The Twenty-eighth Legislature

HGCR 1031

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: SB 1089 SD1	Committee Referral: LAB, FIN	Date: 3/20/15		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKASHIMA, Mark M. (C)	/			
2. KEOHOKALOLE, Jarrett (VC)	/			
3. AQUINO, Henry J.C.	/			
4. HAR, Sharon E.	/			
5. ICHIYAMA, Linda	/			
6. JOHANSON, Aaron Ling	/			
7. LOPRESTI, Matthew S.	/			
8. SAN BUENAVENTURA, Joy A.	/			
9. TAKAYAMA, Gregg	/			
10. TAKUMI, Roy M.	/			
11. YAMASHITA, Kyle T.	/			
12. TUPOLA, Andria P.L.		/		
TOTAL (12)	11	1		
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				