

STAND. COM. REP. NO.

1550

Honolulu, Hawaii

April 10, 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 Finance, to which was referred S.B. No. 1089, 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 provide the Employees' Retirement System (ERS) with the means to improve and protect 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;

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- (4) Establishes one-year deadlines for lump sum payments by contributory and hybrid members for membership service credit; and
- (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.

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. 1089, 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



