

STAND. COM. REP. NO.

413

Honolulu, Hawaii

February 16, 2017

RE: H.B. No. 1061

H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 1061 entitled:

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

begs leave to report as follows:

The purpose of this measure is to achieve a funding period of 30 years or less by incrementally increasing the rates for employer contributions to the Employees' Retirement System (System).

The Employees' Retirement System and Department of Budget and Finance testified in support of this measure. The Hawaii Fire Fighters Association, Local 1463, IAFF, AFL-CIO testified in opposition.

Your Committee finds that the rates for employer contributions to the System are subject to adjustment under section 88-122, Hawaii Revised Statutes, if the period required to amortize the unfunded accrued liability of the System exceeds 30 years. Based on recent actuarial assumptions of the current contribution rates, the period required to amortize the unfunded accrued liability of the System will exceed 30 years. Your Committee further finds that the employer contribution rates need to be increased to achieve a funding period of 30 years or less.

HB1061 HD1 HSCR LAB HMS 2017-2064



Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2050, to facilitate further discussion; and
- (2) Making technical nonsubstantive amendments for clarity, consistency, and style.

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 H.B. No. 1061, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1061, H.D. 1, and be referred to your Committee on Finance.

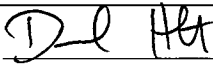
Respectfully submitted on  
behalf of the members of the  
Committee on Labor & Public  
Employment,



AARON LINE JOHANSON, Chair



**Record of Votes of the Committee on Labor & Public Employment**

Bill/Resolution No.: <b>HB 1061</b>	Committee Referral: <b>LAB, FIN</b>	Date: <b>09FEB17</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> <b>Pass, with amendments (HD)</b> <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. JOHANSON, Aaron Ling (C)	✓			
2. HOLT, Daniel (VC)	✓			
3. KEOHOKALOLE, Jarrett	✓			
4. NAKASHIMA, Mark M.	✓			
5. TAKUMI, Roy M.	✓			
6. YAMASHITA, Kyle T.	✓			
7. MATSUMOTO, Lauren Kealohilani	✓			
<b>TOTAL (7)</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="margin-left: 150px;">committee acronym(s)</div>				
<b>Vice Chair's or designee's signature:</b> 				
<b>Distribution:</b> Original (White) – Committee     Duplicate (Yellow) – Chief Clerk's Office     Duplicate (Pink) – HMSO				