

STAND. COM. REP. NO.

928

Honolulu, Hawaii

March 2, 2007

RE: H.B. No. 1292

H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1292 entitled:

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

begs leave to report as follows:

The purpose of this bill is to enable the Employees' Retirement System (ERS) to maintain its status as a tax-qualified retirement plan by complying with the Internal Revenue Code. Among other things, this bill:

- (1) Prohibits elective officers and judges from terminating their ERS membership upon reaching the statutory cap on retirement benefits even though they remain in office and delay receipt of the benefits until a future separation date;
- (2) Prohibits elective officers from joining the ERS at any time during their term of office; and
- (3) Requires elective officers to exercise a one-time, irrevocable option to join the ERS when they are elected.

ERS, Department of Budget and Finance, Department of the Attorney General, Office of Hawaiian Affairs, and Hawaii State Teachers Association testified in support of this bill.

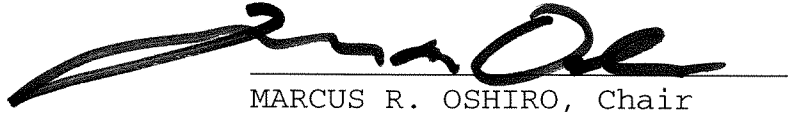
HB1292 HD1 HSCR FIN HMS 2007-2609



Your Committee has amended this bill by making technical, nonsubstantive amendments to correct drafting errors.

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 H.B. No. 1292, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1292, H.D. 1.

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



MARCUS R. OSHIRO, Chair



