

Honolulu, Hawaii
Feb 15, 2008

RE: H.B. No. 3082

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 3082 entitled:

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

begs leave to report as follows:

The purpose of this bill is to improve and enhance the Employees' Retirement System (ERS) by, among other things:

- (1) Allowing the ERS to require employers to transmit payroll and personnel transactions in an electronic format;
- (2) Requiring direct deposit for lump sum refunds of accumulated contributions greater than \$250 if the member does not elect to roll over the payment into an eligible retirement plan, and allowing the ERS to waive this method if another method is determined to be more appropriate;
- (3) Requiring that Contributory and Hybrid Plan members make retirement contributions while on leave of absence for professional improvement or when performing governmental functions, in order to receive membership credit;
- (4) Automatically increasing the annual ceiling on pension benefits to parallel the increases in the federal ceiling under Section 415 of the Internal Revenue Code;



- (5) Requiring the State and county governments to remit the employee's contributions based on the compensation that the member would have received had the member not been on active military duty in the armed forces to comply with the federal Uniform Services Employment and Reemployment Rights Act; and
- (6) Clarifying that accidental death benefits for Noncontributory Plan members are not subject to the 10-year service credit requirement that is applicable to ordinary death benefits in the Noncontributory plan.

The ERS Board of Trustees and Department of Budget and Finance testified in support of this bill. The Department of Finance of the County of Hawaii (County of Hawaii) opposed this measure.

This bill mainly clarifies and conforms statutes governing the ERS to current practices and attempts to enhance the efficiency of the ERS by allowing ERS to require the electronic transfer of data from employers.

Your Committee notes that according to the County of Hawaii, they already provide whatever information the ERS requests of them and therefore their opposition to this measure is mainly to section 1 of the bill.

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. 3082 and recommends that it pass Second Reading and be referred to the Committee on Finance.

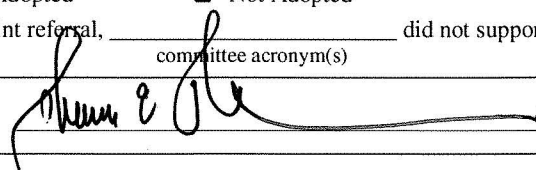
Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,



ALEX M. SONSON, Chair



Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: HB 3032	Committee Referral: LAB, FIN	Date: 2/8/08		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input 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. SONSON, Alex M. (C)	✓			
2. NAKASONE, Bob (VC)				X
3. EVANS, Cindy	✓			
4. HAR, Sharon E.	✓			
5. LEE, Marilyn B.	✓			
6. LUKE, Sylvia	✓			
7. McKELVEY, Angus L.K.				X
8. NISHIMOTO, Scott Y.	✓			
9. SOUKI, Joseph M.	✓			
10. TAKAMINE, Dwight Y.	✓			
11. TAKUMI, Roy M.	✓			
12. MEYER, Colleen Rose	✓			
13. PINE, Kymberly Marcos	✓			
TOTAL (13)	11			2
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				