

STAND. COM. REP. NO. 472 -06

Honolulu, Hawaii

Feb 17, 2006

RE: H.B. No. 2311

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 2311 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 tax-qualified status by:

- (1) Prohibiting members from receiving in-service refunds of pre-tax contributions while employed by the State or counties; and
- (2) Prohibiting members from making additional pre-tax contributions once the member has received a refund of pre-tax contributions while still employed by the State or counties.

ERS, the Department of Budget and Finance, and Hawaii State Teachers Association testified in support of this bill.

As the demand for long-term financial security increases, your Committee finds that it is critical to assist ERS in its attempts to function effectively and properly for the benefit of all members and their families.

HB2311 HSCR LAB HMS 2006-2057



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. 2311 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,


KIRK CALDWELL, Chair



