

STAND. COM. REP. NO.

1152

Honolulu, Hawaii

MAR 22 2007

RE: H.B. No. 1291
H.D. 1
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam President:

Your Committee on Judiciary and Labor, to which was referred
H.B. No. 1291, 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 clarify and conform
existing statutes relating to the Employees' Retirement System
(ERS) to current practices. Among other things, this measure:

- (1) Requires payment of interest to noncontributory members
who have deductions erroneously made from their
compensation;
- (2) Eliminates the eligibility of a foster child to receive
death benefits of a member if the member dies in
service;
- (3) Allows the ERS Board of Trustees (Board) to set the
salary of the Chief Investment Officer in the same
manner used to set the salary of the Administrator;
- (4) Requires contributions exceeding 75 percent of the
statutory cap established for judges, legislative



officers, and elected officials to be refunded when they leave service to comply with federal income tax laws;

- (5) Provides post retirement benefits to contributory and hybrid plan beneficiaries who select a monthly annuity instead of the lump sum balance;
- (6) Requires the claims for survivor benefits to be filed no later than three years from the date of the retirant's death;
- (7) Deletes the requirement that ordinary death benefits be computed in the same manner as ordinary disability benefits for deceased members with 10 years of service who are not eligible for retirement;
- (8) Allows the Board to adopt actuarial tables, factors, or assumptions at a duly noticed meeting;
- (9) Provides criteria for the conversion of noncontributory service to hybrid service once conversion is allowed; and
- (10) Allows hybrid plan members to retire at any time once their ordinary disability applications have been approved by the Board.

The Department of Budget and Finance, Board of Trustees of the Employees' Retirement System, and the Hawaii State Teachers Association supported this bill. The Employees' Retirement System (ERS) requested amendments to the bill to clarify statutory language and proposed changes.

Your Committee has amended this measure by complying with the ERS' request by amending Section 16 by amending the title and subparagraph (a) of Section 88-93, Hawaii Revised Statutes (HRS). The measure was further amended by technical nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report,



your Committee is in accord with the intent and purpose of H.B. No. 1291, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1291, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,



CLAYTON HEE, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* HB 1291 HDI	Committee Referral: JDL, WAM	Date: 3/15/07
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The committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	/			
KOKUBUN, Russell S. (VC)	/			
INOUE, Lorraine R.				/
NISHIHARA, Clarence K.	/			
GABBARD, Mike	/			
TOTAL	4			1

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature:


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