

STAND. COM. REP. NO. 1772 -08

Honolulu, Hawaii

A-24 , 2008

RE: S.B. No. 3005
S.D. 2
H.D. 2

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 3005, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO FEDERAL TAX QUALIFICATION OF THE EMPLOYEES' RETIREMENT SYSTEM,"

begs leave to report as follows:

The purpose of this bill is to protect the tax-qualified status of the Employees' Retirement System (ERS) by, among other things:

- (1) Eliminating optional membership in the ERS for elective officers;
- (2) Implementing a one-time irrevocable election by elective officers who choose to be excluded from membership in the ERS; and
- (3) Providing that a retirant may return to service as an elective officer without suspension of their retirement benefits under certain conditions.

In addition, this bill repeals the statutory cap on retirement benefits for elective officers and judges.

ERS opposed this bill. The Department of Budget and Finance and the Attorney General submitted comments.

SB3005 HD2 HSCR FIN HMS 2008-3402

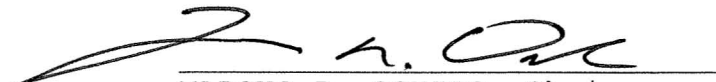


Your Committee has amended this measure by:

- (1) Deleting the provisions that repeal the statutory cap on retirement benefits for elective officers and judges; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

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 S.B. No. 3005, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3005, S.D. 2, H.D. 2.

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


MARCUS R. OSHIRO, Chair



