

JAN 26 2009

---

---

# A BILL FOR AN ACT

RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that the counties need  
2 representation on the board of trustees of the employees'  
3 retirement system of the State. The counties contribute a  
4 considerable share to retirement system costs, and their  
5 employees and retirees are a significant portion of the system's  
6 membership. County representation will ensure that the board  
7 possesses expertise about county finances and the county  
8 workforce in making their benefit decisions. Lack of  
9 representation may result in a situation where board members do  
10 not fully consider the costs of their actions on the counties,  
11 and changes are made that may not be cost beneficial in the  
12 aggregate, or may affect the retirement income of county  
13 employees and retirees.

14           The purpose of this Act is to increase the number of board  
15 members from eight to twelve and to place the four county  
16 directors of finance as ex officio voting members of the board.

17           SECTION 2. Section 88-24, Hawaii Revised Statutes, is  
18 amended to read as follows:



1           "§88-24   Composition of board.   The board of trustees shall  
2 consist of [~~eight~~] twelve members as follows:

- 3           (1)   The director of finance of the State, ex officio;  
4           (2)   Four members of the system, two of whom shall be  
5                general employees, one of whom shall be a teacher, and  
6                one of whom shall be a retirant to be elected by the  
7                members and retirants of the system under rules  
8                adopted by the board governing the election to serve  
9                for terms of six years each, one of the terms to  
10              expire on January 1 of each even-numbered year;  
11             provided that [~~7~~] if, after the close of filing of  
12             petitions for candidacy, a member is unopposed for  
13             election to a trustee position, the member shall be  
14             deemed and declared to be duly and legally elected to  
15             the position of trustee without an election; [~~and~~]

- 16           (3)   Three citizens of the State who are not employees, one  
17                of whom shall be a responsible officer of a bank  
18                authorized to do business within the State, or a  
19                person of similar experience, to be appointed by the  
20                governor, with the advice and consent of the senate,  
21                to serve for a term of six years each, one of the



1 terms to expire January 1 of each odd-numbered  
2 year[-]; and

3 (4) The respective directors of finance of the city and  
4 county of Honolulu and the counties of Hawai'i, Maui,  
5 and Kaua'i, ex officio.

6 Each trustee shall serve until the trustee's successor is  
7 elected or appointed, as the case may be, and qualified. For  
8 the purpose of this section, the term "general employees"  
9 includes police officers and firefighters."

10 SECTION 3. Statutory material to be repealed is bracketed  
11 and stricken. New statutory material is underscored.

12 SECTION 4. This Act shall take effect upon its approval.

13

INTRODUCED BY: \_\_\_\_\_

~~\_\_\_\_\_~~  
By Request



**Report Title:**

Employees' Retirement System; Board of Trustees; Membership

**Description:**

Increases the composition of the board of trustees of the employees' retirement system from 8 to 12 and amends the composition and appointment procedures in order to provide for county representation.

