

TESTIMONY

SB 876

TESTIMONY BY DAVID SHIMABUKURO
ADMINISTRATOR, EMPLOYEES' RETIREMENT SYSTEM
STATE OF HAWAII
TO THE SENATE COMMITTEE ON LABOR
ON
SENATE BILL NO. 876

RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM

FEBRUARY 12, 2009

Chair Dwight Takamine and Members of the Committee:

S.B. 876 amends various provisions of Chapter 88, Hawaii Revised Statutes to clarify and conform existing statutes to current practice as follows:

- Clarify that ordinary disability retirement is effective on the first day of the month or December 31, but no earlier than thirty days from the date the application was filed or the date the member terminated service, whichever is later.
- Clarify that a challenge to an application for disability retirement or accidental death benefits is considered a petition for a contested case hearing and not an "appeal" of a medical board's decision.
- Allow approved attorney's fees and costs to be paid to the member or survivor instead of being paid only on a reimbursable basis.
- Clarify that the cap on the maximum retirement allowance imposed on certain members (such as police officers, firefighters, certain public safety officers, judges and elected officials) apply to the retirant's "tack-on" benefits when they return to work.
- Allow ERS to stop collecting retirement contributions from certain re-employed retirants who reached the maximum average final compensation ceiling (police officers, firefighters, certain public safety officers, judges and elected officials).

- Clarify that if a Noncontributory member terminates service prior to accumulating ten years of credited service and becomes a member again by December 31st of the year following the calendar year of termination, all service credits that were previously forfeited would be restored.

The Board of Trustees supports this Administration bill and recommends its passage.

Thank you for the opportunity to testify on this measure.