
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 purpose of this Act is to repeal the sunset
2 date on the prohibition on approving benefit enhancements while
3 an unfunded accrued liability exists.

4 SECTION 2. Section 88-122, Hawaii Revised Statutes, is
5 amended by amending subsection (e) to read as follows:

6 "(e) Commencing with fiscal year 2005-2006 and each
7 subsequent fiscal year, the employer contributions for normal
8 cost and accrued liability for each of the two groups of
9 employees in subsection (a) shall be based on fifteen and three-
10 fourths per cent of the member's compensation for police
11 officers, firefighters, and corrections officers and thirteen
12 and three-fourths per cent of the member's compensation for all
13 other employees. Commencing with fiscal year 2008-2009 and each
14 subsequent fiscal year, the employer contributions for normal
15 cost and accrued liability for each of the two groups of
16 employees in subsection (a) shall be based on nineteen and
17 seven-tenths per cent of the member's compensation for police
18 officers, firefighters, and corrections officers and fifteen per



1 cent of the member's compensation for all other employees. The
2 contribution rates shall amortize the total unfunded accrued
3 liability of the entire plan over a period not to exceed thirty
4 years.

5 Effective January 2, 2008 [~~until January 2, 2011~~], there
6 shall be no benefit enhancements under this chapter for any
7 group of members, including any reduction of retirement age,
8 when there is an unfunded accrued liability.

9 The contribution rates shall be subject to adjustment:

- 10 (1) If the actual period required to amortize the unfunded
- 11 accrued liability exceeds thirty years;
- 12 (2) If there is no unfunded accrued liability; or
- 13 (3) Based on the actuarial investigation conducted in
- 14 accordance with section 88-105."

15 SECTION 3. Statutory material to be repealed is bracketed
16 and stricken.

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

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INTRODUCED BY: Calvin H. Boy
JAN 28 2009



Report Title:

Employees' Retirement System; No Benefit Enhancements

Description:

Deletes the sunset date of 1/2/11 on the prohibition on approving employees' retirement system benefit enhancements while an unfunded accrued liability exists.

