

Honolulu, Hawaii

Feb 26, 2010

RE: H.B. No. 2533

H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2533 entitled:

"A BILL FOR AN ACT RELATING TO THE EMPLOYMENT OF EMPLOYEES' RETIREMENT SYSTEM RETIRANTS,"

begs leave to report as follows:

The purpose of this bill is to ensure fair and equitable conditions under which a state or county retiree may be reemployed by the State or a county by:

- (1) Establishing conditions for reemployment of a retirant in a position that is excluded from Employees' Retirement System (ERS) membership, such as certain temporary or part-time positions, by requiring a six-month "retirement" provision;
- (2) Requiring the retirant to reimburse ERS for any retirement allowance or other benefit received during the reemployment if in violation of ERS statutes, plus eight percent annual interest;
- (3) Requiring both the retirant and employer to pay the employee and employer contributions that should have been paid during the reemployment if in violation of ERS statutes, plus eight percent annual interest; and



- (4) Requiring both the retirant and employer to reimburse ERS for administrative expenses incurred in responding to the violation, to the extent the retirant and employer are determined to be at fault.

ERS testified in support of this bill. The Department of Education provided comments.

Your Committee notes that concerns were raised regarding the need for an appeals process for situations such as those in which an employee or employer is determined by the ERS administrator to be at fault, but there is disagreement in the finding.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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 H.B. No. 2533, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2533, H.D. 1.

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


MARCUS R. OSHIRO, Chair



