

Honolulu, Hawaii

Feb 11, 2010

RE: H.B. No. 2538

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

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 2538 entitled:

"A BILL FOR AN ACT RELATING TO THE PAYMENT OF EMPLOYEES' RETIREMENT SYSTEM BENEFITS,"

begs leave to report as follows:

The purpose of this bill is to switch the payments of Employees' Retirement System (ERS) benefits from a semi-monthly mailed paper check basis to a monthly basis by direct deposit to save in postage, printing, and bank fees.

The ERS testified in support of this bill. The Hawaii Government Employees Association provided comments.

Your Committee notes that passage of this bill will streamline the processing of ERS pension payments. 25,700 out of 38,000 pensioners and beneficiaries would be paid monthly rather than semi-monthly. Additionally, 1,400 would change to direct deposit into a financial institution instead of receiving paper checks. These changes will result in cost savings and increase ERS' investment earnings.

However, your Committee also notes the concerns raised that the changing of payment methods to retirees may present a financial burden to older retirees. Therefore, the ERS is strongly encouraged to clearly inform those affected by these changes well in advance of the change.



As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2538 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,

Karl Rhoads

KARL RHOADS, Chair



State of Hawaii
House of Representatives
The Twenty-fifth Legislature

HSCR 307-10

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: HB 2538	Committee Referral: LAB, FIN	Date: 2-5-2010		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. RHOADS, Karl (C)	/			
2. YAMASHITA, Kyle T. (VC)	/			
3. AQUINO, Henry J.C.	/			
4. AWANA, Karen Leinani	/	/		
5. HANOHANO, Faye P.		/		
6. KEITH-AGARAN, Gilbert S.C.	/			
7. LEE, Marilyn B.				/
8. NAKASHIMA, Mark M.		/		
9. SAIKI, Scott K.	/			
10. SOUKI, Joseph M.			/	
11. TAKUMI, Roy M.	/			
12. PINE, Kymberly Marcos				/
TOTAL (12)	6	3	1	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature:				
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