
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 county 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 benefit decisions. Lack of representation
9 may result in a situation where board members do not fully
10 consider the costs of their actions on the counties, resulting
11 in changes that may not be cost beneficial in the aggregate or
12 may affect the retirement income of county employees and
13 retirees.

14 The purpose of this Act is to include county representation
15 on the membership of the board of trustees of the employees'
16 retirement system.

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

HB174 HD1 HMS 2011-2668



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

3 (1) The director of finance of the State, ex officio;

4 (2) [~~Four~~] Five members of the system, [~~two~~] three of whom
5 shall be general employees, one of whom shall be a
6 teacher, and one of whom shall be a retirant to be
7 elected by the members and retirants of the system
8 under rules adopted by the board governing the
9 election to serve for terms of six years each, one of
10 the terms to expire on January 1 of each even-numbered
11 year; provided that, 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) One member appointed by unanimous agreement of the
4 mayors of each of the four counties and approved by
5 the Hawaii State Association of Counties, subject to
6 the advice and consent of the senate in the same
7 manner as trustees appointed by the governor, to serve
8 for a term of six years, with each term to expire on
9 January 1 of an odd-numbered year. The counties shall
10 be responsible for all necessary expenses, including
11 travel, board, and lodging expenses, and any other
12 costs, incurred in the performance of the member's
13 duties.

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

18 SECTION 3. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 4. This Act shall take effect on July 1, 2030.



Report Title:

HSAC Package; Employees' Retirement System; Board of Trustees;
Counties

Description:

Increases the members on the Employees' Retirement System (ERS) board of trustees from eight to ten. Establishes county representation on the ERS board of directors. Provides that the counties shall be responsible for all necessary expenses incurred in the performance of the county member's duties. Effective on July 1, 2030. (HB174 HD1)

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