
HOUSE RESOLUTION

REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY TO MEASURE THE EFFECTIVENESS OF THE POST RETIREMENT ALLOWANCE IN FULFILLING ITS PURPOSE TO HELP OFFSET THE RISING COST OF LIVING AND KEEP UP WITH INFLATION.

1 WHEREAS, Chapter 88-90, Hawaii Revised Statutes, creates a
2 Post Retirement Allowance in the Employees' Retirement System;
3 and
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5 WHEREAS, the pension benefit of state and county employees
6 is calculated via a formula that uses various factors, including
7 time of service and average annual salary, to determine the
8 amount of final compensation; and
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10 WHEREAS, the Post Retirement Allowance benefit is a fixed,
11 uncompounded amount of compensation based upon a formula using
12 two and one-half percent of a retiree's pension multiplied by a
13 retiree's years of service; and
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15 WHEREAS, inflation is an inescapable economic reality that
16 causes all citizens to inevitably pay more over time for goods
17 and services; and
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19 WHEREAS, the Post Retirement Allowance benefit is meant to
20 assist retirees on fixed or semi-fixed incomes to mitigate the
21 effects of inflation; and
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23 WHEREAS, many believe that the current fixed percentage
24 calculation of the Post Retirement Allowance does not allow
25 pension recipients to keep up with the cost of living; now,
26 therefore,



1 BE IT RESOLVED by the House of Representatives of the
2 Twenty-sixth Legislature of the State of Hawaii, Regular Session
3 of 2011, that the Legislative Reference Bureau is requested to:
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5 (1) Conduct a study on the current Post Retirement
6 Allowance to determine whether it is fulfilling its
7 purpose of maintaining a standard of living for
8 retired members and beneficiaries; and
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10 (2) Determine whether the Post Retirement Allowance is
11 supplementing pensions sufficiently to keep up with
12 inflation;
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14 and
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16 BE IT FURTHER RESOLVED that the Legislative Reference
17 Bureau submit a report of its findings and recommendations,
18 including any proposed legislation, to the Legislature no later
19 than 20 days prior to the convening of the Regular Session of
20 2012; and
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22 BE IT FURTHER RESOLVED that certified copies of this
23 Resolution be transmitted to the Acting Director of the
24 Legislative Reference Bureau, the Administrator of the
25 Employees' Retirement System, the President of the Hawaii State
26 Teachers Association - Retired, and the President of the Hawaii
27 Government Employees Association Retirees Unit.

