

JAN 21 2011

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:

SB LRB 11-0891.doc



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



Report Title:

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

Description:

Increases the members on the ERS board of trustees from eight to ten. Establishes county representation on the ERS board of directors.

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