

STAND. COM. REP. NO.

298

Honolulu, Hawaii

Feb 15, 2011

RE: H.B. No. 1035
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 1035 entitled:

"A BILL FOR AN ACT RELATING TO EMPLOYEES' RETIREMENT SYSTEM
BENEFIT ENHANCEMENT MORATORIUM,"

begs leave to report as follows:

The purpose of this bill is to place a moratorium on Employees' Retirement System (ERS) benefit enhancements until such time the ERS's fund ratio is at least 80 percent.

The ERS and the Department of Budget and Finance testified in strong support of this measure. The University of Hawaii Professional Assembly opposed this bill. The City and County of Honolulu Department of Budget & Fiscal Services submitted comments.

Your Committee notes that employers covered by the ERS are facing significant increases in their contribution rates. Any benefit enhancements granted at this time would require even larger contribution rate increases. Your Committee believes that this bill is a means of ensuring the financial viability of the ERS and benefits to those covered by the system.

HB1035 HD1 HSCR LAB HMS 2011-2166



Upon further consideration, your Committee has amended this bill by:

- (1) Changing the moratorium on the enhancement of ERS benefits to 100 percent of the ERS's funded ratio; 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 Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1035, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1035, H.D. 1, and be referred to the Committee on Finance.

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



KARL RHOADS, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

HSCR 298

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: HB1035	Committee Referral: LAB, FIN	Date: 2-11-11		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" 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. CULLEN, Ty	/			
5. ICHIYAMA, Linda				/
6. LEE, Marilyn B.	/			
7. LUKE, Sylvia				/
8. SAIKI, Scott K.	/			
9. SOUKI, Joseph M.		/		
10. TAKUMI, Roy M.	/			
11. FONTAINE, George R.	/			
12. JOHANSON, Aaron Ling	/			
TOTAL (12)	9	1	-	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ committee acronym(s) did not support recommendation.				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				