

STAND. COM. REP. NO. 782

Honolulu, Hawaii

March 8, 2011

RE: H.B. No. 1036  
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 Finance, to which was referred H.B. No. 1036 entitled:

"A BILL FOR AN ACT RELATING TO FEDERAL TAX QUALIFICATION REQUIREMENTS FOR THE EMPLOYEES' RETIREMENT SYSTEM,"

begs leave to report as follows:

The purpose of this bill is to protect the status of the Employees' Retirement System (ERS) as a tax-qualified retirement plan under section 401(a) of the Internal Revenue Code (IRC) by adding a new section to Hawaii's ERS law to include provisions required by federal law. Among other things, this bill:

- (1) Inserts specific language into Hawaii's ERS law that addresses the requirements contained in the Heroes Earnings Assistance and Relief Tax Act of 2008 requiring a tax-qualified retirement plan to provide the survivors of a member with any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the member's ERS plan had the member resumed and then terminated employment on account of death in the case of a member who dies while performing qualified military service; and
- (2) Establishes the requirements for minimum pension distributions in accordance with section 401(a)(9) of the IRC.

HB1036 HD1 HSCR FIN HMS 2011-2667

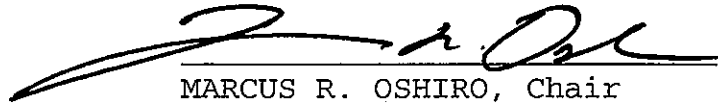


The ERS Board of Trustees testified in support of this bill.

Your Committee has amended this bill by making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1036, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1036, H.D. 1.

Respectfully submitted on  
behalf of the members of the  
Committee on Finance,



MARCUS R. OSHIRO, Chair



