

TESTIMONY BY WESLEY K. MACHIDA
ADMINISTRATOR, EMPLOYEES' RETIREMENT SYSTEM
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 817

FEBRUARY 25, 2011

RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM

Chair Oshiro and Members of the Committee:

The Board of Trustees of the Employees' Retirement System of the State of Hawaii (ERS) supports the intent of H.B. 817 that proposes to reduce the interest crediting rate on member contributions for members first hired on or after July 1, 2011 from 4.5% to 2.0%.

As of June 30, 2010, the ERS had an unfunded actuarial accrued liability (UAAL) of \$7.1 billion. Paying down the unfunded liability would take more than 40 years based on the 2010 Actuarial Valuation report. According to the ERS Actuary, this proposal will result in a reduction to the normal cost and more of the employer contributions will be applied to the unfunded liability (estimated to be about \$2.8 million in fiscal year 2012). This would enhance the ERS's ability to pay down the unfunded liability by about a year given the current contribution levels.

As a result, the ERS supports H.B. 817 that assists with paying down the unfunded liability of the ERS.

FINTestimony

From: Joel Fischer [jfischer@hawaii.edu]
Sent: Wednesday, February 23, 2011 12:26 PM
To: FINTestimony
Subject: HB817; FIN; 2/25/11; 10AM, Rm 308

Importance: High

HB817; Relating to the ERS
FIN; Chair, Rep Oshiro

PLEASE KILL THIS BILL, MAKE-DIE-DEAD!!

Today's entire agenda (#1) is absolutely frightening to me. I have never seen any set of bills that are more anti-worker and anti-elderly. How can a democratic Governor and Democrat-controlled legislature countenance this attack on your most important constituencies? Even Republican administrations would never submit these attacks on workers and the elderly. **HEWA!**

The budget problems in Hawai'i nei are not the fault of workers and retirees. But there is a clear line of blame for these problems: first, the hundreds of millions of dollars wasted on tax credits that do virtually nothing to create jobs, and, second, the tax changes introduced in faux-liberal Ben Cayetano's regime that absolutely robbed the state of hundreds of millions of tax dollars from the rich under the absolutely false assumptions of the trickle-down theory.

Until the Governor and Legislature really attack these inequities, I am unalterably opposed to the bills on today's agenda.

"Everybody" sharing the burden does NOT mean only the poor, elderly and state workers!!

Aloha, joel

Dr. Joel Fischer, ACSW
Professor (Ret.)
University of Hawai'i, School of Social Work
Henke Hall
Honolulu, HI 96822

"It is reasonable that everyone who asks justice should DO justice."
Thomas Jefferson

"There comes a time when one must take a position that is neither safe, nor politic, nor popular, but one must take it because one's conscience tells one that it is right."
Dr. Martin Luther King, Jr.

"Never, never, never quit."
Winston Churchill

It is better to be "over the hill" than under it.
Anonymous