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# 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 county  
9 representation may result in a situation where board members do  
10 not fully consider the costs of their actions on the counties,  
11 resulting in changes that may not be cost beneficial in the  
12 aggregate or may affect the retirement income of county  
13 employees and 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:



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



1 terms to expire January 1 of each odd-numbered  
2 year[-]; and  
3 (4) One member appointed by unanimous agreement of the  
4 mayors of each of the four counties, and approved by  
5 the Hawaii State Association of Counties, subject to  
6 the advice and consent of the senate in the same  
7 manner as trustees appointed by the governor, to serve  
8 for a term of six years, with each term to expire on  
9 January 1 of an odd-numbered year.

10 Each trustee shall serve until the trustee's successor is  
11 elected or appointed, as the case may be, and qualified. For  
12 the purpose of this section, the term "general employees"  
13 includes police officers and firefighters."

14 SECTION 3. Statutory material to be repealed is bracketed  
15 and stricken. New statutory material is underscored.

16 SECTION 4. This Act shall take effect on July 1, 2013.



**Report Title:**

Employee's Retirement System; Representation; Board of Trustees;  
HSAC Package

**Description:**

Includes county representation on the State employees'  
retirement system board of trustees. Effective July 1, 2013.  
(HB1751 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

