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# A BILL FOR AN ACT

RELATING TO GOVERNMENT.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The purpose of this Act is to address the  
2 unfunded accrued liability of the employees' retirement system.  
3 More specifically, this Act sets aside from the general excise  
4 tax revenues the amount necessary to amortize the unfunded  
5 accrued liability for state employees.

6           This Act takes effect on July 1, 2011.

7           SECTION 2. Section 88-124, Hawaii Revised Statutes, is  
8 amended by amending subsection (a) to read as follows:

9           "(a) The State shall pay on a monthly basis to the various  
10 funds of the system the amounts payable by the State under this  
11 part. Payments shall be made within thirty days after the end  
12 of the month.

13           Payments for the unfunded accrued liability portion of the  
14 State's monthly contribution for state employees shall be made  
15 from the account in the general fund established pursuant to  
16 section 237-31. Reimbursements to the general fund from other  
17 funds, as required under section 88-125, shall be deposited into  
18 the general fund, but not the account.



1       Payments for the normal cost portion of the State's monthly  
2 contribution for state employees shall be made from the general  
3 fund, but not the account established pursuant to section  
4 237-31."

5       SECTION 3. Section 237-31, Hawaii Revised Statutes, is  
6 amended to read as follows:

7       "**§237-31 Remittances.** All remittances of taxes imposed by  
8 this chapter shall be made by money, bank draft, check,  
9 cashier's check, money order, or certificate of deposit to the  
10 office of the department of taxation to which the return was  
11 transmitted. The department shall issue its receipts therefor  
12 to the taxpayer and shall pay the moneys into the state treasury  
13 as a state realization, to be kept and accounted for as provided  
14 by law; provided that:

15       (1) The sum from all general excise tax revenues realized  
16 by the State that represents the difference between  
17 \$45,000,000 and the proceeds from the sale of any  
18 general obligation bonds authorized for that fiscal  
19 year for the purposes of the state educational  
20 facilities improvement special fund shall be deposited  
21 in the state treasury in each fiscal year to the



1 credit of the state educational facilities improvement  
2 special fund; [~~and~~]

3 (2) A sum, not to exceed \$5,000,000, from all general  
4 excise tax revenues realized by the State shall be  
5 deposited in the state treasury in each fiscal year to  
6 the credit of the compound interest bond reserve  
7 fund[~~-~~]; and

8 (3) A sum equivalent to the unfunded accrued liability  
9 contribution by the State for state employees during a  
10 fiscal year shall be deposited in that fiscal year  
11 into a separate account in the general fund."

12 SECTION 4. Statutory material to be repealed is bracketed  
13 and stricken. New statutory material is underscored.

14 SECTION 5. This Act shall take effect on July 1, 2011.

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INTRODUCED BY: Calvin L. Boy

JAN 24 2011



**Report Title:**

Unfunded Liability Contribution For State Employees; General  
Excise Tax Revenue Set-Aside

**Description:**

Requires the set aside from the general excise tax revenues of  
an amount equivalent to the unfunded accrued liability  
contribution by the State for state employees. Takes effect on  
07/01/11.

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

