



GOV. MSG. NO. 1123

EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

April 18, 2013

The Honorable Donna Mercado Kim,
President
and Members of the Senate
Twenty-Seventh State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Joseph M. Souki,
Speaker and Members of the
House of Representatives
Twenty-Seventh State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kim, Speaker Souki, and Members of the Legislature:

This is to inform you that on April 18, 2013, the following bill was signed into law:

SB1036

RELATING TO EMPLOYEES' RETIREMENT
SYSTEM PERSONNEL
ACT 023 (13)

Aloha
Sincerely,
Neil Abercrombie

NEIL ABERCROMBIE
Governor, State of Hawaii

JAN 24 2013

A BILL FOR AN ACT

RELATING TO EMPLOYEES' RETIREMENT SYSTEM PERSONNEL.

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

1 SECTION 1. Chapter 88, Hawaii Revised Statutes, is amended
2 by adding a new section to be appropriately designated and to
3 read as follows:

4 "§88- Investment personnel. The board may, through its
5 executive director, appoint one or more investment officers,
6 under the direction of the chief investment officer, prescribing
7 their duties and qualifications and fixing their salaries, who
8 shall be exempt from chapter 76."

9 SECTION 2. Section 88-9, Hawaii Revised Statutes, is
10 amended by amending subsections (b) and (c) to read as follows:

11 "(b) Any retirant employed in violation of this section
12 shall:

13 (1) Reimburse the system for any retirement allowance or
14 other benefit received from the system during the
15 period or periods of employment in violation of this
16 section, plus interest thereon at the rate of eight
17 per cent per annum;

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1 (2) Pay the system an amount of money equal to the
2 employee contributions that would otherwise have been
3 paid during the period or periods of employment in
4 violation of this section, plus interest thereon at
5 the rate of eight per cent per annum; and

6 (3) Contribute toward reimbursement of the system for
7 administrative expenses incurred in responding to the
8 situation, to the extent that the retirant is
9 determined by the [~~administrator~~] executive director
10 to be at fault.

11 (c) Any employer that employs a retirant in violation of
12 this section shall:

13 (1) Pay to the system an amount of money equal to the
14 employer contributions that would otherwise have been
15 paid for the period or periods of employment in
16 violation of this section, plus interest thereon at
17 the rate of eight per cent per annum; and

18 (2) Contribute toward reimbursement of the system for
19 administrative expenses incurred in responding to the
20 situation, to the extent that the employer is
21 determined by the [~~administrator~~] executive director
22 to be at fault."

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1 SECTION 3. Section 88-29, Hawaii Revised Statutes, is
2 amended as follows:

3 "§88-29 Officers, employees, legal adviser. The board
4 shall elect from its membership a chairperson, and by a majority
5 vote of all its members, shall appoint an [~~administrator~~]
6 executive director and a chief investment officer who shall be
7 exempt from chapter 76 and serve under and at the pleasure of
8 the board. Effective July 1, 2007, the salaries of the
9 [~~administrator~~] executive director and chief investment officer
10 shall be set by the board. The board shall engage actuarial and
11 other services as shall be required to transact the business of
12 the system. The compensation for all services engaged by the
13 board, and all other expenses of the board necessary for the
14 operation of the system, shall be paid at rates and in amounts
15 the board shall approve.

16 The attorney general or an appointed representative may
17 serve as legal adviser to the board or the board may select its
18 own legal counsel."

19 SECTION 4. Section 88-90.5, Hawaii Revised Statutes, is
20 amended by amending subsection (b) to read as follows:

21 "(b) Subject to the recommendation of the actuary
22 appointed under section 88-29, the board may adopt, by motion at
23 any duly noticed meeting of the board, actuarial tables,

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1 factors, and assumptions for the purposes of parts II, VII, and
2 VIII. The tables, factors, and assumptions that are used to
3 compute benefits shall be in writing and certified by the
4 [~~administrator.~~] executive director."

5 SECTION 5. Section 88-211, Hawaii Revised Statutes, is
6 amended by amending the definition of "state agency" to read as
7 follows:

8 "(4) The term "state agency" means the [~~administrator~~]
9 executive director of the state employees' retirement
10 system;"

11 SECTION 6. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 7. This Act, upon its approval, shall take effect
14 on July 1, 2013.

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APPROVED this 18 day of APR, 2013



GOVERNOR OF THE STATE OF HAWAII