
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 Act 100, Session
2 Laws of Hawaii 1999, enabled the State and the counties to fund
3 retroactive cost items for certain collective bargaining
4 agreements by:

5 (1) Applying only investment earnings in excess of a ten
6 per cent investment yield rate to the amount of
7 contributions that were otherwise required to be made
8 into the pension accumulation fund for fiscal years
9 1997 and 1998; and

10 (2) Prohibiting public sector collective bargaining over
11 cost items for the biennium 1999-2001.

12 The legislature further finds that as a result of Act 100,
13 approximately \$347,000,000 was essentially diverted from the
14 pension accumulation fund between 1999 and 2002 through
15 reductions in employer contributions.

16 The purpose of this Act is to restore the diverted amounts
17 to the pension accumulation fund.



1 SECTION 2. The State and the counties shall repay to the
2 pension accumulation fund over a twenty-year period, beginning
3 with fiscal year 2013-2014, their respective portions of the
4 total sum of moneys, adjusted for the time-cost of money, used
5 by the State and the counties to fund retroactive cost items
6 contained in the contracts executed by the Hawaii Government
7 Employees Association and United Public Workers, as exclusive
8 representatives for their respective collective bargaining
9 units, and the State and counties, pursuant to section 3, Act
10 100, Session Laws of Hawaii 1999.

11 SECTION 3. There is appropriated out of the general
12 revenues of the State of Hawaii the sum of \$ or so
13 much thereof as may be necessary for fiscal year 2013-2014 to
14 cover the State's portion of the initial payment to repay the
15 pension accumulation fund.

16 The sum appropriated shall be expended by the department of
17 budget and finance for the purposes of this Act.

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

19

INTRODUCED BY: Kal Rhoode

JAN 18 2013



H.B. NO. 271

Report Title:

ERS; HGEA; UPW

Description:

Requires the State and the counties to repay the pension accumulation fund over a twenty-year period for the total sum of moneys that were used by the State and the counties to fund retroactive cost items for HGEA and UPW contracts pursuant to Act 100, Session Laws of Hawaii 1999.

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