

TESTIMONY BY WESLEY K. MACHIDA
ADMINISTRATOR, EMPLOYEES' RETIREMENT SYSTEM
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 275, H.D.1

FEBRUARY 25, 2013

PROPOSING AN AMENDMENT TO ARTICLE VI, SECTION 3, OF THE
CONSTITUTION OF THE STATE OF HAWAII AUTHORIZING THE CHIEF
JUSTICE OF THE STATE SUPREME COURT TO APPOINT RETIRED JUDGES TO
SERVE AS EMERITUS JUDGES

Chair Luke, Vice Chair Nishimoto, Vice Chair Johanson and
Members of the Committee:

H.B. 275, H.D.1, allows the chief justice to appoint judges
retired from the Employees' Retirement System (ERS) upon
reaching the age of 70 as temporary emeritus judges. These post
retirement appointments would be for terms "not to exceed three
months per appointment." As proposed, this amendment would
allow retired judges to receive a salary for their temporary
appointments while still receiving a pension from the ERS.

Although the ERS Board of Trustees understands the mentoring
benefits of emeritus judges, the Board opposes this bill as it
would create the opportunity for retired judges to "double-dip"
or being employed and collecting a retirement pension at the
same time. The Internal Revenue Service scrutinizes these types
of appointments and as a general policy to protect the ERS' tax-
qualified status the ERS Board discourages this practice.

Thank you for opportunity to testify on this important measure.