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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. Section 88-103.7, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           " ~~[+]~~ §88-103.7 ~~[+]~~ Information from the State and counties.

4           (a) To fulfill its responsibilities under this chapter, the  
5 system ~~[may]~~ shall require any department or agency of the State  
6 or counties to furnish information to the system to carry out  
7 the purposes of this chapter. The system ~~[may]~~ shall specify  
8 the format in which the information shall be furnished. Without  
9 limitation of the foregoing, the system ~~[may]~~ shall require that  
10 information be furnished in electronic format and that  
11 information with respect to payroll and personnel transactions:

12           (1) Allocate payments, including bonuses, salary  
13           adjustments, payments for compensatory time, and  
14           workers' compensation, to monthly or other periods as  
15           requested by the system; ~~[and]~~

16           (2) Specify the purpose or nature of the payment ~~[+]~~; and

17           (3) Indicate any changes or errors in payments that  
18           require correcting or updating.



1       (b) All departments and agencies of the State or counties  
2 shall furnish the information required by the system pursuant to  
3 this section in the format required by the system. The system  
4 shall notify each department or agency of the State or counties  
5 that is required to furnish information to the system of any  
6 change in the required format for the information. Each  
7 department or agency shall have one hundred eighty days from the  
8 date of the receipt of the notice of a change in the required  
9 format to update the format in which the required information is  
10 provided to the system.

11       (c) If a department or agency of the State or county fails  
12 to furnish the system with the information required pursuant to  
13 this section, the State or county shall pay to the system, on  
14 the first day of the fiscal year following the fiscal year in  
15 which the failure to furnish the required information occurred,  
16 an amount equal to the employer contributions payable by the  
17 State or county, relative to the department or agency that is  
18 not in compliance with this section, during the fiscal year in  
19 which the failure to furnish the required information occurred.  
20 This amount shall be applied to contributions required under  
21 section 88-124 for the State and section 88-126 for the  
22 counties.



1        (d) If full payment of the amount required under  
2 subsection (c) is not made by the State or county on the first  
3 day of the fiscal year, then:

4        (1) Any unpaid amounts shall bear interest at the rate  
5 equal to the investment yield rate assumption in  
6 effect for actuarial valuations of the system; and

7        (2) Any payments received by the system for the State or  
8 county, except for payments made pursuant to sections  
9 88-46, 88-100, and 88-326, shall be applied first to  
10 accrued interest and then to the amount required to be  
11 paid under subsection (c).

12        (e) The system may waive the requirements of subsections  
13 (c) and (d) if the system determines, in its sole discretion,  
14 that the failure by the department or agency to furnish the  
15 required information in the required format is the result of an  
16 unforeseen system failure, natural disaster, or other unforeseen  
17 event.

18        (f) The system shall annually submit to the department of  
19 budget and finance and legislature, not later than twenty days  
20 prior to the convening of each regular session, a report that  
21 details the following for the current fiscal year:



- 1        (1) Any department or agency of the state or counties that  
2            failed to comply with this section; and
- 3        (2) Any amounts required to be paid under subsection (c),  
4            including the anticipated amounts payable in the  
5            upcoming fiscal year, and identification of any state  
6            budget programs that may be affected."

7            SECTION 2. Statutory material to be repealed is bracketed  
8 and stricken. New statutory material is underscored.

9            SECTION 3. This Act shall take effect on July 1, 2050.



**Report Title:**

Employees' Retirement System; Payroll and Personnel Transactions

**Description:**

Requires ERS to require any department or agency of the State or counties to furnish to the system certain payroll and personnel transaction information, including changes or errors in payments. Provides that if a department or agency fails to provide the information in the required format, the State or county is required to pay to the system an amount equal to the employer contributions payable by the department or agency. Provides that unpaid amounts shall bear interest. Allows ERS to waive department or agency requirements paying employer contributions due to unforeseen circumstances. Requires reporting. Effective July 1, 2050. (SB2916 HD1)

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

