

STAND. COM. REP. NO.

898

Honolulu, Hawaii

March 1, 2013

RE: H.B. No. 805
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 805
entitled:

"A BILL FOR AN ACT RELATING TO FEDERAL TAX QUALIFICATION OF
THE EMPLOYEES' RETIREMENT SYSTEM,"

begs leave to report as follows:

The purpose of this measure is to amend the Employees'
Retirement System laws to comply with Internal Revenue Code
requirements and vesting rules in order to maintain the system's
status as a tax-qualified retirement plan.

The Department of Budget and Finance and the Administrator of
the Employees' Retirement System supported this measure.

Your Committee has amended this measure by:

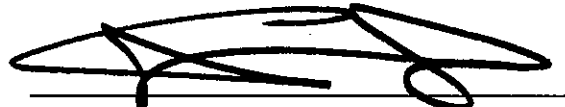
- (1) Clarifying the terms "stability period" and "look-back
month" by citing the relevant United States Treasury
Regulations sections;
- (2) Changing its effective date to July 1, 2030, to promote
further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity,
consistency, and style.

HB805 HD1 HSCR FIN HMS 2013-2455



As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 805, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 805, H.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



SYLVIA LUKE, Chair



