

Honolulu, Hawaii

March 21, 2014

RE: S.B. No. 2916
S.D. 2
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred S.B. No. 2916, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM,"

begs leave to report as follows:

The purpose of this measure is to ensure that the Employees' Retirement System (ERS) has timely access to employee-beneficiary information provided by a public employer. Specifically, this measure strengthens the authority of ERS to obtain needed information from the State and counties by:

- (1) Requiring, rather than authorizing, ERS to obtain the information;
- (2) Requiring, rather than authorizing, ERS to specify the format in which the information is to be furnished and requiring the State and counties to furnish the information in the required format;
- (3) Adding, as a category of information with respect to payroll and personnel transactions that ERS is required to obtain, changes or errors in payments that require correcting or updating;



- (4) Requiring the State or county to pay on the first day of the fiscal year following the fiscal year in which a department or agency, as applicable, failed to furnish any required information, the amount equal to the employer contributions payable by the State or county relative to that department or agency during the fiscal year in which the department or agency failed to furnish the required information;
- (5) Requiring the State or county to pay interest on the unpaid amounts if full payment is not made on the first day of the fiscal year; and
- (6) Requiring the Department of Budget and Finance to submit an annual report to the Legislature on noncompliant departments, amounts payable for failing to furnish required information, and affected programs.

ERS provided testimony in support of this measure. The Finance Department of the County of Hawaii provided testimony in opposition to this measure. The Department of Budget and Finance, Department of Education, Department of Human Resources Development, and Department of Human Resources of the City and County of Honolulu provided comments on this measure.

Your Committee has amended this measure by:

- (1) Specifying that each department or agency has 180 days from the date of the receipt of a notice of change in the required format to update the format in which the required information is provided to ERS;
- (2) Allowing ERS to waive the requirement that a department or agency pay to ERS an amount equal to the employer contributions payable by the State or county relative to the department or agency that is not in compliance and interest if it determines that the failure to provide the information was due to an unforeseen system failure, natural disaster, or other unforeseen event;
- (3) Requiring ERS, rather than the Department of Budget and Finance, to submit a report to the Legislature and the Department of Budget and Finance;
- (4) Requiring the report to include anticipated amounts payable in the upcoming fiscal year; and



- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2916, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2916, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,



MARK M. NAKASHIMA, Chair



State of Hawaii
House of Representatives
The Twenty-seventh Legislature

HSCR 1184-14

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: SB 2916, SD2	Committee Referral: LAB, FIN	Date: 3/18/14		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKASHIMA, Mark M. (C)	/			
2. YAMASHITA, Kyle T. (VC)	/			
3. AQUINO, Henry J.C.	/			
4. ICHIYAMA, Linda	/			
5. TAKAYAMA, Gregg	/			
6. ING, Kaniela				/
7. TAKUMI, Roy M.	/			
8. YAMANE, Ryan I.	/			
9. JOHANSON, Aaron Ling	/			
TOTAL (9)	8	-	-	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ committee acronym(s) did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				