Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Judiciary and Labor, to which was referred
S.B. No. 2916 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to require, rather
than allow, the Employees' Retirement System to require any
department or agency of the State or counties to furnish to the
System certain payroll and personnel transaction information,
including any changes or errors in payments that require
correcting or updating.

Your Committee received testimony in support of this measure
from the Employees' Retirement System.

Your Committee finds that this measure specifies that, in
addition to allocating payments to the periods in which payments
are earned and specifying the purpose or nature of the payments,
public employers are required to indicate any changes or errors in
payments that require correcting or updating. The Employees'
Retirement System testified that its personnel and payroll file
formats are configured to accept corrections, adjustments, and
updated information, but a number of public employers do not use
this capability, which results in delays in the processing of
retirement benefits.

Your Committee notes the suggested language submitted by the Employees' Retirement System that imposes penalties on public employers who fail to submit the required information.

Accordingly, your Committee has amended this measure, as suggested by the Employees' Retirement System, by:

(1)   Clarifying that the furnishing of certain payroll and personnel transaction information is required of all departments and agencies of the State or counties;

(2)   Providing that if a department or agency fails to provide the information, the State or county is required to pay to the System, on the first day of the following fiscal year in which the failure occurred, in an amount equal to the employer contributions payable by the State pursuant to section 88-124, Hawaii Revised Statutes, or by the county pursuant to section 88-126, Hawaii Revised Statutes;

(3)   Providing that if the required payment is not made on the first day of the fiscal year, any unpaid amounts shall bear interest and any subsequent payments shall be applied first to accrued interest and then to the required payment;

(4)   Inserting an effective date of July 1, 2016; and

(5)   Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

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

Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,

CLAYTON HEE, Chair

The Senate
Twenty-Seventh Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:*	Committee Referral:	Date:
SB 2916	JDL, WAM	2/13/14

☐ The committee is reconsidering its previous decision on this measure.

If so, then the previous decision was to:_____

The Recommendation is:

☐ Pass, unamended 2312   ☑ Pass, with amendments 2311   ☐ Hold 2310   ☐ Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	✓			
SHIMABUKURO, Maile S.L. (VC)	✓			
GABBARD, Mike	✓			
GALUTERIA, Brickwood				✓
IHARA, Jr., Les				✓
SOLOMON, Malama	✓			
SLOM, Sam				✓
TOTAL	4			3

Recommendation:
☑ Adopted   ☐ Not Adopted

Chair's or Designee's Signature: _____

*Only <u>one</u> measure per Record of Votes

Revised: 07/01/13