

STAND. COM. REP. NO.

2783

Honolulu, Hawaii

FEB 28 2014

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

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

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 2916, S.D. 1, 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 ensure that the Employees' Retirement System (ERS) has timely access to employee-beneficiary information provided by a public employer.

Specifically, the measure strengthens the authority of the Employees' Retirement System to obtain needed information from the State and counties by:

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

SB2916 SD2 SSCR LRB 14-1742.doc



- (5) Requiring the State or a county to pay on the first day of the fiscal year following the fiscal year in which a department or agency of the State or the county, as applicable, failed to furnish any required information, an amount equal to the employer contributions payable by the State or county during the fiscal year in which the department or agency failed to furnish the required information; and
- (6) 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.

Your Committee received written comments in support of this measure from the Department of Budget and Finance and the Employees' Retirement System. Written comments in opposition to this measure were received from the Department of Human Resources Development and the Department of Education.

Your Committee finds that the ERS's personnel and payroll file formats are currently configured to accept corrections, adjustments, and updated information, although most public employers do not take advantage of this capability, resulting in delays in the processing of retirement benefits. This measure provides a means of addressing government agencies that are tardy in providing historical payroll-related information to the ERS.

Your Committee has amended this measure by:

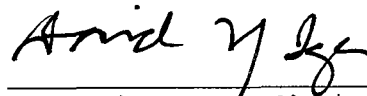
- (1) Specifying that if a department or agency is noncompliant, the amount to be paid by the State or county will be relative to that department or agency;
- (2) Requiring the Department of Budget and Finance to submit an annual report to the Legislature on noncompliant departments, amounts payable for failing to furnish required information, and affected budget programs; and
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B.



No. 2916, S.D. 1, as amended herein, and recommends that it pass
Third Reading in the form attached hereto as S.B. No. 2916,
S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DAVID Y. IGE, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2916, SDI	JDL, WAM	2-25-14		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.				✓
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.				✓
RUDERMAN, Russell E.				✓
THIELEN, Laura H.	✓			
TOKUDA, Jill N.	✓			
SLOM, Sam	✓			
	10	0	0	3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes