

SB2916

TESTIMONY BY WESLEY K. MACHIDA
EXECUTIVE DIRECTOR, EMPLOYEES' RETIREMENT SYSTEM
STATE OF HAWAII

TO THE COMMITTEE ON JUDICIARY AND LABOR
ON
SENATE BILL NO. 2916

FEBRUARY 13, 2014, 10:30 AM

RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM

Chair Hee, Vice-Chair Shimabukuro and Members of the Committee:

S.B. 2916 proposes to amend Section 88-103.7, Hawaii Revised Statutes (HRS), which requires departments of the State and counties to provide payroll and personnel information electronically to the Employees' Retirement System (ERS).

This proposal specifies that, in addition to allocating payments to the periods payments are earned and specifying the purpose or nature of the payments, the employers are required to "indicate any changes or errors in payments that require correcting or updating." ERS's personnel and payroll file formats are currently configured to accept corrections, adjustments and updated information, though most employers do not utilize this capability, resulting in delays in the processing of retirement benefits.

The Board of Trustees of the Employees' Retirement System supports this bill.

In addition to this amendment, however, the Board would suggest that penalties (perhaps in the form of additional employer contributions) be imposed on the employers for non-compliance with these requirements.

Thank you for the opportunity to testify on this important measure.