

Honolulu, Hawaii

APR 28 2017

RE: S.B. No. 936
S.D. 2
H.D. 1
C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 936, S.D. 2, H.D. 1, entitled:

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

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to update the Employees' Retirement System (ERS) laws relating to pension benefits administration. Specifically, this measure:

- (1) Extends the pension benefit adjustment finalization period by one month for those who retire on December 31;
- (2) Changes the interest rate for late benefit finalizations;
- (3) Extends the deadline from one to two fiscal years following retirement for employer payments of additional



retirement contributions associated with significant non-base pay increases;

- (4) Allows an entity designated by the ERS Board of Trustees to certify a member's mental or physical incapacity for purposes of determining the member's eligibility for an ordinary disability retirement allowance, service-connected disability benefits, or accidental death benefits; and
- (5) Incrementally increases the rates for employer contributions to the ERS.

Your Committee on Conference finds that this measure serves as a housekeeping measure for the ERS to correct and make consistent finalized benefit adjustment periods, address employer concerns regarding payments for pension "spiking", and improve the efficiency of processing disability and accidental death claims.

Your Committee on Conference has amended this measure by:

- (1) Inserting as the interest rate for late benefit finalizations an amount to be established by the ERS Board of Trustees that shall be not less than the ninety day United States treasury bill rate as of the end of the prior year plus one per cent per year;
- (2) Inserting an effective date of July 1, 2017; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 936, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 936, S.D. 2, H.D. 1, C.D. 1.



Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



AARON LINE JOHANSON

Co-Chair




DANIEL HOLT

Co-Chair



GILBERT S.C. KEITH-AGARAN

Chair



JILL N. TOKUDA


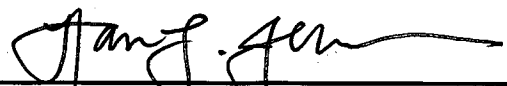
Co-Chair



Hawaii State Legislature

Record of Votes of a
Conference Committee

CCR 109

Bill / Concurrent Resolution No.: SB 936, SD 2, HD 1					Date/Time: 4/27/17 1:50 PM				
<input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD).									
<input type="checkbox"/> The Committee is reconsidering its previous decision.									
<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.				
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
KEITH-AGARAN, Gilbert S.C., Chr.	✓				JOHANSON, Aaron Ling, Co-Chr.	✓			
TOKUDA, Jill N., Co-Chr.	✓				HOLT, Daniel, Co-Chr.	✓			
RHOADS, Karl	✓				MATSUMOTO, Lauren Kealohilani	✓			
TOTAL	3	0	0	0	TOTAL	3	0	0	0
A = Aye		WR = Aye with Reservations			N = Nay		E = Excused		
Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Senate Lead Chair's or Designee's Signature: 					House Lead Chair's or Designee's Signature: 				
Distribution:		Original <i>File with Conference Committee Report</i>	Yellow <i>House Clerk's Office</i>	Pink <i>Senate Clerk's Office</i>	Goldenrod <i>Drafting Agency</i>				