

STAND. COM. REP. NO.

3089

Honolulu, Hawaii

MAR 23 2018

RE: H.B. No. 2336
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Labor, to which was referred H.B. No. 2336, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to allow payment of employer contributions to the Employees' Retirement System (ERS) in advance of the fiscal year in which the contributions are required.

Your Committee received testimony in support of this measure from the Department of Budget and Finance and Board of Trustees of the Employees' Retirement System.

Your Committee finds that currently, the ERS is not able to accept employer contributions in advance of the fiscal year in which the contributions are required. This measure would allow employers to remit cash in advance and to receive credit against future contribution obligations; therefore, giving employers more flexibility in making payments. Additionally, advance payments will assist the ERS to reduce the plan's unfunded liabilities over time.

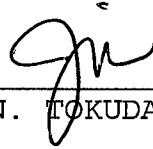
Your Committee has amended this measure by:



- (1) Changing the effective date to July 1, 2018; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2336, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2336, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

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



JILL N. TOKUDA, Chair



