

STAND. COM. REP. NO. **2371**

Honolulu, Hawaii

FEB 15 2018

RE: S.B. No. 2763
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 S.B. No. 2763
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 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 S.B. No. 2763, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2763, 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



