

HB2336 HD1

Measure Title: RELATING TO EMPLOYER CONTRIBUTIONS TO THE EMPLOYEES' RETIREMENT SYSTEM.
Report Title: Employees' Retirement System; Employer Contributions.
Description: Allows payment of employer contributions to the Employees' Retirement System in advance of the fiscal year in which the contributions are required; provides for interest on and application of the advance payments. (HB2336 HD1)
Companion: [SB2763](#)
Package: Governor
Current Referral: LBR, WAM
Introducer(s): SAIKI (Introduced by request of another party)

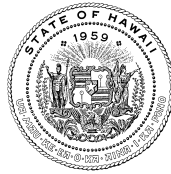
<u>Sort by</u> <u>Date</u>		Status Text
1/22/2018	H	Pending introduction.
1/24/2018	H	Introduced and Pass First Reading.
1/29/2018	H	Referred to LAB, FIN, referral sheet 9
2/8/2018	H	Bill scheduled to be heard by LAB on Tuesday, 02-13-18 9:45AM in House conference room 309.
2/13/2018	H	The committees on LAB recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 7 Ayes: Representative(s) Johanson, Holt, Evans, Ichiyama, Keohokalole, Yamashita, Matsumoto; Ayes with reservations: none; Noes: none; and Excused: none.
2/16/2018	H	Reported from LAB (Stand. Com. Rep. No. 613-18) as amended in HD 1, recommending passage on Second Reading and referral to FIN.
2/16/2018	H	Passed Second Reading as amended in HD 1 and referred to the committee(s) on FIN with none voting aye with reservations; none voting no (0) and Representative(s) DeCoite, Ing, Nakamura, Onishi, Woodson excused (5).
2/20/2018	H	Bill scheduled to be heard by FIN on Thursday, 02-22-18 1:30PM in House conference room 308.
2/22/2018	H	The committees on FIN recommend that the measure be PASSED, UNAMENDED. The votes were as follows: 13 Ayes: Representative(s) Luke, Cullen, Cachola, DeCoite, Fukumoto, Gates, Holt, Kobayashi, Lowen, Nakamura, Todd, Yamashita, Ward; Ayes with reservations: none; Noes: none; and 2 Excused: Representative(s) Keohokalole, Tupola.
3/2/2018	H	Reported from FIN (Stand. Com. Rep. No. 940-18), recommending passage on Third Reading.
3/2/2018	H	Passed Third Reading with none voting aye with reservations; none voting no (0) and Representative(s) Ing, San Buenaventura, Say, Yamane excused (4). Transmitted to Senate.
3/6/2018	S	Received from House (Hse. Com. No. 213).
3/6/2018	S	Passed First Reading.
3/6/2018	S	Referred to LBR, WAM.
3/12/2018	S	The committee(s) on LBR has scheduled a public hearing on 03-15-18 2:45PM in conference room 229.

S = Senate | **H** = House | **D** = Data Systems | **\$** = Appropriation measure | **ConAm** = Constitutional Amendment

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HB2336 HD1

DAVID Y. IGE
GOVERNOR



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EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

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BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY LAUREL A. JOHNSTON
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON LABOR
ON
HOUSE BILL NO. 2336, H.D. 1

March 15, 2018
2:45 p.m.
Room 229

RELATING TO EMPLOYER CONTRIBUTIONS TO THE EMPLOYEES' RETIREMENT SYSTEM

This measure allows payment of employer contributions to the Employees' Retirement System (ERS) in advance of the fiscal year in which the contributions are required and provides for interest on and application of the advance payments.

The Department of Budget and Finance supports this Administration measure. Currently, the ERS is not able to accept employer contributions in advance of the fiscal year in which the contributions are required. This bill would allow employers to remit cash in advance and to receive credit against future contribution obligations; therefore, giving employers more flexibility in making payments.

Thank you for your consideration of our comments.

DAVID Y. IGE
GOVERNOR



THOMAS WILLIAMS
EXECUTIVE DIRECTOR

KANOE MARGOL
DEPUTY EXECUTIVE DIRECTOR

STATE OF HAWAII
EMPLOYEES' RETIREMENT SYSTEM

TESTIMONY BY THOMAS WILLIAMS
EXECUTIVE DIRECTOR, EMPLOYEES' RETIREMENT SYSTEM
STATE OF HAWAII

TO THE SENATE COMMITTEE ON LABOR
ON

HOUSE BILL NO. 2336, H.D. 1

March 15, 2018
2:45 P.M.
Conference Room 229

RELATING TO EMPLOYER CONTRIBUTIONS TO THE EMPLOYEES' RETIREMENT
SYSTEM

Chair Tokuda, Vice Chair English and Members of the Committee,

H.B. 2336, H.D. 1 proposes to add a new section to Chapter 88, Hawaii Revised Statutes, to facilitate advance transmittals of employer contributions by the State and counties to the Employees' Retirement System.

The contributions State and county agencies are required to make to the Employees' Retirement System (ERS) to meet obligations for retirement benefits are based on a percentage of payroll. Currently, the ERS is not able to accept employer contributions in advance of the fiscal year in which the contributions are required. This bill would allow these employers who elect to do so to remit their contributions in advance to be designated in separate employer accounts and to receive credit against future contribution obligations. Advance payment of employer contributions will serve to reduce the plan's unfunded liabilities over time.

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

Thank you for this opportunity to provide testimony on H.B. 2336, H.D. 1.



Employees' Retirement System
of the State of Hawaii