

DAVID Y. IGE
GOVERNOR



THOMAS WILLIAMS
EXECUTIVE DIRECTOR

KANOE MARGOL
DEPUTY EXECUTIVE DIRECTOR

STATE OF HAWAII
EMPLOYEES' RETIREMENT SYSTEM

WRITTEN ONLY

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

TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON

HOUSE BILL NO. 2336, H.D. 1, S.D. 1

April 3, 2018
10:30 A.M.
Conference Room 211

RELATING TO EMPLOYER CONTRIBUTIONS TO THE EMPLOYEES' RETIREMENT
SYSTEM

Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee,

H.B. 2336, H.D. 1, S.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, S.D. 1.



Employees' Retirement System
of the State of Hawaii

HB-2336-SD-1

Submitted on: 3/29/2018 8:26:29 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Mike Golojuch | Individual | Support | No |

Comments: