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

**STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE**

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WRITTEN ONLY

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

LATE

**April 3, 2018
10:00 a.m.
Room 211**

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.