

A Bill for an Act Relating to the Employees' Retirement System.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 88-107, Hawaii Revised Statutes, is amended to read as follows:

**“§88-107 Interest.** The board of trustees shall annually [allow regular interest on the mean amount for the preceding year in the annuity savings fund and the post retirement fund. The amounts so allowed shall be credited annually thereto by the board from interest and other earnings on the moneys of the system. Any additional amount required to meet regular interest on the mean amount for the preceding year in the pension accumulation fund shall be paid by the State and counties and any excess of earnings over such amount required shall be deductible from the amounts to be contributed by the State and counties.] allocate the interest and other earnings of the system to the funds of the system, as follows:

- (1) The annuity savings fund shall be credited with the amount of regular interest credited to members' accounts;
- (2) The mean amount of the preceding year in the post retirement fund shall be credited with interest at the investment yield rate applied in actuarial valuations; and
- (3) The remaining investment earnings, if any, shall be credited to the pension accumulation fund.

The amounts to be contributed to the pension accumulation fund by the State and counties shall be reduced by any investment earnings in excess of the investment yield rate applied in actuarial valuations. Any additional amount required to meet the investment yield rate for the preceding year shall be paid by the State and counties, and shall be credited to the pension accumulation fund.”

SECTION 2. Statutory material to be repealed is bracketed. New material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved April 14, 1984.)