

ACT 104

H.B. NO. 576

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 88-122, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) The actuarial valuations made for years [~~ending June 30, 1996, to June 30, 2000;~~] after June 30, 1999, shall be based on an eight per cent investment yield rate, [~~a variable salary growth assumption rate;~~] assumed salary increases of four per cent, and tables and factors adopted by the board or legislature for actuarial valuations of the system, subject to recommendations made by the actuary appointed under section [~~88-30.~~] 88-29. [~~The salary growth assumption used in each annual actuarial valuation shall be determined separately for each of the following groups:~~

- (1) Teachers;
- (2) Police officers, firefighters, and corrections officers; and

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~~(3) All other employees.~~

~~For paragraphs (1), (2), and (3), the salary growth assumption shall be the arithmetic average of the compensation increases experienced by continuing active members, as measured in the data received for the valuation being performed and the two immediately preceding valuations.]'~~

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 Statutory material to be repealed is bracketed and stricken.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

SECTION 3. This Act shall take effect on July 1, 2001.

(Approved May 18, 2001.)