

9/27/2011

RE: Act 163 Briefing

We have compiled a list of questions that were asked at the Act 163 briefing and are now providing answers to those questions below. Also (shown below the question and answer section), are 2 corrections and 1 comment that we wanted to share. Feel free to contact us should you require further clarification or assistance.

## Questions

### **1. If a Contributory plan member returns to work, will the member be enrolled in the new plan (new benefit structure)?**

It depends when the Contributory member left government service and whether the member was vested (minimum 5 years).

Assuming the member is a mandatory Contributory member (Police, Fire, etc), if the employee is not vested and returns within 4 calendar years from the date of termination, the employee would continue the same membership date and remain in the current plan. If the member returned after 4 calendar years and was not vested, Contributory member would be under the new benefit structure.

#### Example

- Membership Date: February 4, 2006
- Terminated: June 29, 2009
- Return to Work: August 1, 2012

The Contributory member remains in the same benefit structure as the membership date remains February 4, 2006. If the member returned to work after December 31, 2013 which after 4 calendar years, the member would be in the new Contributory plan benefit structure.

### **2. For the new enrollment process, would the name and social security number be sufficient for ERS to determine the membership date?**

At this time, the ERS is considering requesting the name, last four digits of the social security number, and birth date (month/year). The more information the ERS has to identify the member, the more accurate the ERS membership will be.

### **3. Is the Act 163 briefing going to be conducted on the neighbor islands?**

Yes. Below is the schedule for their briefings by islands:

September 27	Maui
September 29	Kauai
September 30	Hilo

You may visit our website for the locations and times.

**4. The presentation indicates that prior to 07/01/2012 there are “New Values” of A0, B0, C0, H0. Will these have to be re-reported to ERS for current employees?**

No, ERS does not need to have current employees re-reported with the expanded codes; however, once the 07/01/2012 codes are established, any future personnel changes (demographic, salary, leaves, etc.) reported to the ERS for your current employees must be reported with the correct two-byte group and class codes.

**5. Please clarify when enrollment personnel actions will not require a form.**

Until we approve that your department’s electronic reporting format is sufficient for new and returning hires, please continue to provide paper reporting actions. As mentioned in the briefing, the Form 1-A (Beneficiary Designation) and the EC&B-1 (Enrollment Form) will still need to be submitted in hard copy.

**6. What is the difference between the hire date and the ERS membership (member start) date?**

For enrollment purposes, the hire date will be the date that the new employee starts with your department/agency. The ERS membership date is the date that the employee is hired in a position which provides potential ERS benefits. For an employee who is a new ERS member, your hire date and the ERS membership date should be the same. However, when a former ERS member is hired after a break in service, the employee’s membership date may be the date of the initial hire from that previous employment. The determination of the membership date is based on several factors, including the member’s previous plan (Contributory, Hybrid or Noncontributory), length of membership (vesting), length of the break in service and the status of any prior contributions (refunds).

**7. Did the ERS provide information to employees hired after 06/30/2011 regarding the reduction of the employee’s contribution interest rate from 4.5% to 2.0%?**

A memo was sent (dated June 28, 2011), to all of the personnel offices on the change to the interest to 2% from 4.5%. Personnel were instructed to provide each new hire a plan booklet of the interest change.

**8. How will University lecturers be coded since they are issued with new hire dates every new school year?**

The retirement plan is determined based on ERS member start date and not by hire date. ERS will let you know which retirement plan the employee should be coded.

**Corrections:**

**1. The Bargaining Unit Code table on page 16 of Personnel Interface File layout should reflect the following:**

BU's	Description	Union	BU Reference
08	HGEA – Administrative, Professional and Technical	HGEA	08
78	HGEA – Administrative, Professional and Technical - Excluded	HGEA	08
87	UHPA – Academic Executive/Managerial – Excluded	UHPA	07
88	HGEA – Non-academic Executive/Managerial – Excluded	HGEA	08

**2. The Retro/Overpayment Breakdown reporting form did not include the full ERS email address.**

To email the reporting form, send to: [hiers03@hiers.org](mailto:hiers03@hiers.org). Updated electronic document (with corrected email address) is available on our website ([www4.hawaii.gov/ers](http://www4.hawaii.gov/ers)).

**Other comments:**

**Different departments/entities may be using different terms to describe lagged pay.**

The following are the terms used by ERS and the code values (as referenced in the Personnel Interface File layout):

Paid on time = ON  
Delayed 5 days = DE  
Lagged one pay period = LG  
Lagged one pay period AND delayed 5 days = LD