


DAVID Y. IGE
GOVERNOR



STATE OF HAWAII
EMPLOYEES' RETIREMENT SYSTEM

August 5, 2015

To: State and County Payroll, Personnel and Information Systems Officers and Transactions Staff

From: Kanoe Margol, Interim Executive Director 

Subject: 2015 Legislation Related to the Employees' Retirement System

The purpose of this memo is to invite you to a briefing on 2015 legislation related to the Employees' Retirement System (ERS).

Date: Tuesday, August 25, 2015
Time: 9:00 a.m. to 11:00 a.m.
Place: State Capitol Auditorium

The following Acts were signed into law by the Governor on June 5, 2015:

- Act 85, SLH 2015 (S.B. 1087) Non-vested Member Refunds and Hybrid Death Benefits
 - Effective June 5, 2015 and July 1, 2015
- Act 86, SLH 2015 (S.B. 1089) Contributions and Deadlines for Workers' Compensation and Purchase of Service
 - Effective June 5, 2015, July 1, 2016 and July 1, 2020
- Act 87, SLH 2015 (S.B. 1090), Employer Reporting
 - Effective June 5, 2015 and July 1, 2020

ERS staff will review, discuss and provide examples of the personnel and payroll changes effective with the above legislation. Attached are summaries of the Acts and you may refer to the Hawaii State Legislature website at: <http://www.capitol.hawaii.gov/> for copies and details of the actual legislation. You will be given ample time for questions during and after the briefing.

We will be scheduling briefings for the County Personnel and Payroll on the neighbor islands later.

Should you have any questions, please contact Donna Curry, Program Specialist, at (808) 586-1678 or email curryd@hiers.org.

Attachment



Employees' Retirement System
of the State of Hawaii

Attachment: 2015 Legislative Briefing Related to the Employees' Retirement System
For Personnel, Payroll and Information Systems Officers and Transactions Staff

Summary of Acts

Act 85 Summary

1. Contributions for Non-vested, terminated Contributory and Hybrid members must be refunded the later of:
 - Age 62, or
 - Upon the termination of membership (4 calendar years from termination)
2. Death benefit for non-vested, terminated Hybrid members after June 30, 2015:
 - 100% of accumulated contributions

Act 86 Summary

1. To be credited with Hybrid and Contributory service for unpaid leaves of absence without pay (i.e., Professional Improvement Leaves, USERA military):
 - Payment of contributions must be made within 1 year after return from leave
2. Contributory and Hybrid members receiving wage replacement benefits for workers' compensation leaves:
 - Mandatory deduction of ERS contributions
3. New Contributory and Hybrid members after June 30, 2016 must claim for previous eligible, membership and military service within 1 year of:
 - Enrollment
 - Earliest Eligibility
4. Contributory and Hybrid members must commence purchase of service by lump sum or payroll deduction within 1 year of:
 - ERS certification of service
5. Actuarial cost calculation for all purchase of service commencing after June 30, 2020

Act 87 Summary

1. Requires State and Counties to furnish payroll and personnel transactions to ERS in required format by July 1, 2020
2. If not compliant after June 30, 2020, ERS requires payment of annual employer contributions at the beginning of the fiscal year after non-compliance is determined
3. ERS to monitor progress and report to the Department of Budget and Finance and Legislature during sessions 2016 through 2020