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

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

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

December 31, 2015

The Honorable Ronald D. Kouchi, President  
and Members of the Senate  
Twenty-Eighth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

The Honorable Joseph M. Souki, Speaker  
and Members of the House of  
Representatives  
Twenty-Eighth State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Souki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Status of Employer Reporting of Information 2015 report, as required by Act 87, Session Laws of Hawaii 2015. In accordance with Section 93-16, Hawaii Revised Statutes, the report may be viewed electronically at <http://ers.ehawaii.gov/resources/reports-to-legislature>.

Sincerely,

WESLEY K. MACHIDA  
Director of Finance

Enclosure

EMPLOYEES' RETIREMENT SYSTEM  
OF THE STATE OF HAWAII

ACT 87, SESSION LAWS OF HAWAII 2015  
RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM

STATUS OF EMPLOYER REPORTING OF INFORMATION  
2015

This is the initial status report on the State and County departments' and Agencies' reporting of personnel and payroll information to the Employees' Retirement System (ERS) as required by Section 88-103.7 under Act 87, Session Laws of Hawaii 2015.

**Employer Reporting Files**

ERS benefits (retirement, death, refunds, disability, etc.) are based on the ERS membership status of the employee. The ERS is dependent on employers of the State and Counties to provide timely and accurate compensation information (based on payroll data) and service credit information (based on personnel data) on their employees to determine ERS benefit eligibility and entitlement. Employers are the sole source of this payroll and personnel data which is transmitted to the ERS by semi-monthly transactions coinciding with their salary processing schedule.

ERS approved file formats for employer reporting of payroll and personnel data:

1. Payroll File: 600 byte layout, version 2, Act 163
2. Personnel Interface File: 1500 byte layout, Act 163

**Employers and Billing Locations**

Since 2006, the ERS has worked with the State and Counties in the implementation and the utilization of these payroll and personnel files. Employer reporting is divided into separate "billing locations" which are designated by the employer for ease of collection and processing. The billing locations for the state and counties are listed below:

1. State of Hawaii
  - a. Payroll Files
    - i. Department of Accounting and General Services (DAGS) – State of Hawaii
    - ii. Charter Schools (Ceridian)
  - b. Personnel Files
    - i. Department of Human Resources Development
    - ii. Department of Education Certificated
    - iii. University of Hawaii Board of Regents
    - iv. Judiciary
    - v. Hawaii Health Systems Corporation
    - vi. Charter Schools
    - vii. Board of Education – Student Support and Classified Personnel

- viii. Senate
  - ix. House
  - x. Ombudsman
  - xi. Legislative Reference Bureau
  - xii. Legislative Auditor
  - xiii. Ethics Commission
  - xiv. Office of Hawaiian Affairs
2. City and County of Honolulu
    - a. Payroll Files
      - i. City and County of Honolulu
      - ii. City and County of Honolulu – Board of Water Supply
    - b. Personnel Files
      - i. City and County of Honolulu (includes Board of Water Supply)
  3. County of Hawaii
    - a. Payroll Files
      - i. County of Hawaii
      - ii. County of Hawaii – Department of Water Supply
    - b. Personnel Files
      - i. County of Hawaii (includes Department of Water Supply)
  4. County of Maui
    - a. Payroll Files
      - i. County of Maui
    - b. Personnel Files
      - i. County of Maui
  5. County of Kauai
    - a. Payroll Files
      - i. County of Kauai
    - b. Personnel Files
      - i. County of Kauai

**Status of Reporting**

ERS will continue to work with the employers in order to comply with the provisions of Act 87/2015. In addition, it shall submit to the legislature reports on the progress of State and County departments and Agencies in their efforts to comply with section 88-103.7, Hawaii Revised Statutes, as amended by this Act. These reports shall be submitted to the Legislature prior to the regular sessions of 2016 through 2020.

As noted in the Act, the ERS “shall require that information be furnished in electronic format and that information with respect to payroll and personnel transactions:

- (1) Allocate payments, including bonuses, salary adjustments, payments for compensatory time, and workers' compensation, to monthly or other periods as requested by the system;
- (2) Specify the purpose or nature of the payment; and

(3) Indicate any changes or errors in payments that require correcting or updating.”

It states further that all departments and agencies “shall furnish the information required by the system pursuant to this section in the format required by the system.”

This initial Act 87/2015 report indicates the current status of each employer’s compliance with the current format as indicated in the attached table. Unreported, erroneously reported or manually reported personnel and payroll records of transactions, adjustments, retroactive payments, and corrections require the ERS to research, request and manually adjust an employee’s or retiree’s benefit calculation record to accurately reflect the benefit for which an employee, beneficiary or retiree should be eligible or receive.

For each employer and billing location, the ERS has indicated whether the payroll and personnel files are submitted in the approved format and whether adjustments and corrections are also transmitted in the approved format. In addition to these primary factors, future Act 87/2015 reports will specify criteria and compliance for issues including, but not limited to, the following factors which hinder ERS processing of retirement benefits:

- Timeliness of file transfer
- Validation and rates of errors
- True or “actual” data
- Manual processing required
- Completeness of data

**Next Act 87/2015 Report Due:**

Twenty days prior to the start of the 2017 legislative session.

Act 87/2015 - Employer and Billing Location - Attachment		Submitting by Approved File Format	Transmitting Adjustments or Corrections by Approved File Format
1.	State of Hawaii		
	a. Payroll Files		
	i. Department of Accounting and General Services (DAGS) – State of Hawaii	Yes	No
	ii. Charter Schools (Ceridian)	No - Old file format	No
	b. Personnel Files		
	i. Department of Human Resources Development	Yes	Pending
	ii. Department of Education Certificated	Yes	Pending
	iii. University of Hawaii Board of Regents	Yes	Pending
	iv. Judiciary	Yes	No
	v. Hawaii Health Systems Corporation	Yes	Pending
	vi. Charter Schools	No - Paper transmittal	Pending
	vii. Board of Education – SSP and Classified Personnel	Yes	Pending
	viii. Senate	Yes	Pending
	ix. House	Yes	Pending
	x. Ombudsman	Yes	Pending
	xi. Legislative Reference Bureau	Yes	Pending
	xii. Legislative Auditor	Yes	Pending
	xiii. Ethics Commission	Yes	Pending
	xiv. Office of Hawaiian Affairs	No - Paper transmittal	Pending
2.	City and County of Honolulu		
	a. Payroll Files		
	i. City and County of Honolulu	Yes	Yes
	ii. City and County of Honolulu – Board of Water Supply	Yes	No
	b. Personnel Files		
	i. City and County of Honolulu	Yes	Pending
3.	County of Hawaii		
	a. Payroll Files		
	i. County of Hawaii	No - Old file format	No
	ii. County of Hawaii – Department of Water Supply	Yes	No
	b. Personnel Files		
	i. County of Hawaii	No - Paper transmittal	Pending
4.	County of Maui		
	a. Payroll Files		

Act 87/2015 - Employer and Billing Location - Attachment		Submitting by Approved File Format	Transmitting Adjustments or Corrections by Approved File Format
	i. County of Maui	Yes	No
b.	Personnel Files		
	i. County of Maui	Yes	Pending
5.	County of Kauai		
a.	Payroll Files		
	i. County of Kauai	Yes	No
b.	Personnel Files		
	i. County of Kauai	Yes	Pending