

MINUTES OF THE MEETING OF THE
ADMINISTRATIVE AND LEGISLATIVE COMMITTEE OF THE
BOARD OF TRUSTEES OF THE
EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF HAWAII

AUGUST 27, 2018

CITY FINANCIAL TOWER
201 MERCHANT STREET, SUITE 1400
HONOLULU, HAWAII 96813

Trustees present: Ms. Jackie Ferguson-Miyamoto, Chair
Dr. Catherine Chan
Ms. Laurel Johnston

Trustees excused: Mr. Jerry Rauckhorst (Alternate)

Staff present: Mr. Thomas Williams, Executive Director
Ms. Kanoe Margol, Deputy Executive Director
Ms. Donna Curry, Program Specialist
Ms. Dale Kehau Kanae, Recording Secretary
Mr. Anthony Goo,
Ms. Lori Kim, Secretary

Attorney present: Mr. Ivan Torigoe, Deputy Attorney General
Ms. Jodi Yi, Deputy Attorney General

QUORUM/CALL TO ORDER A quorum being present (Trustee Johnston), and in the absence of Chair Ferguson-Miyamoto, Trustee Chan called the Administrative and Legislative Committee (Committee) of the Board of Trustees (Board) of the Employees' Retirement System of the State of Hawaii (ERS) to order at 10:08 a.m.

PUBLIC COMMENT Trustee Chan called for public comment. There were no members of the public present, therefore no public comments.

POTENTIAL LEGISLATIVE PROPOSALS RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM FOR THE 2019 LEGISLATIVE SESSION FOR RECOMMENDATION TO THE BOARD OF TRUSTEES Ms. Donna Curry, Program Specialist, and Executive Director, Thomas Williams presented to the Committee the list of ERS-related Potential 2019 Legislative Proposals.
After discussion, on a motion made by Trustee Johnston, seconded by Trustee Chan and unanimously carried, the Committee agreed with the positions proposed by staff:

Proceed in Support

- Service Connected Disability - Sections 88-79, 88-285, and 88-336 (Contributory, Noncontributory, and Hybrid).
Deputy Attorney General Elmira Tsang submitted information and Deputy Attorney General Ivan Torigoe discussed the definition of "accident" and what constitutes an accident and recommended that the ERS submit legislation clarifying the statutes governing service-connected disability retirement.
- Recovery of Overpayments – Section 88-106 (Correction of Errors);

Proceed in Support (continued)

- Accidental Death – Sections 88-21, 88-286, and 88-239 (Contributory, Noncontributory, and Hybrid);
- Service Connected Disability – Sections 88-79, 88-285, and 88-336 (Contributory, Noncontributory, and Hybrid);
- Hawaii Domestic Relations Orders – Section 88-93.5 (Distribution of Property in a Divorce Action – Maximum Allowance); and
- Retain Unclaimed Member Benefits – Sections 88-74.7, 88-96, and 88-341 (Commencement of Benefits, Rights of Members Separated from Service).

Potential Proposals for Future Legislation

- Exempt and Additional Investment Staff – Section 88-29 (Officers, Employees, and Legal Adviser);
- AFC Changes from “Highest 5” to “Last 5” – Section 88-81 (Average Final Compensation);
- Change to Calculation of Unused Sick Leave Credit for Current Members – Section 88-63 (Credit for Unused Sick Leave); and
- Change to the Calculation of Post-Retirement Benefits for Current Members – Section 88-90 (Post Retirement).

The positions adopted by the Administrative and Legislative Committee on the bills presented will be recommended to the ERS Board for their approval at its next meeting in September.

Chair Ferguson-Miyamoto entered the meeting at 11:00 a.m.

ENTER EXECUTIVE
SESSION

On a motion made by Trustee Johnston, seconded by Trustee Chan, and unanimously carried, the Committee entered into Executive Session at 11:24 a.m.

APPROVAL OF
EXECUTIVE SESSION
MINUTES
– JANUARY 30, 2018

For notation purposes, these minutes should have been omitted as it did not contain any significant agenda items that required approval.

EXIT EXECUTIVE SESSION

On a motion made by Trustee Johnston, seconded by Trustee Chan, and unanimously carried, the Committee exited Executive Session at 11:25 a.m.

APPROVAL OF MINUTES
– JANUARY 30, 2018

On a motion made by Trustee Chan, seconded by Trustee Johnston, and unanimously carried, the Committee approved the minutes of the January 30, 2018, meeting as presented.

ADJOURNMENT

On a motion made by Trustee Chan, seconded by Trustee Johnston, and unanimously carried, the Committee adjourned the meeting at 11:26 a.m.

REDACTED SIGNATURE

Thomas Williams
Executive Director

TW:dkik