

SUMMER 2018

HOLOMUA

RETIREES & ACTIVE MEMBERS

IN THIS ISSUE

Message from the Executive Director

Annual Post-Retirement Increase in July

Report from Howard Hodel, Acting CIO

Upcoming Brown Bag Sessions at ERS

Hawaii ERS Joins United Nations Supported Principles for Responsible Investment

2018 Fall Filing Session Schedule

News from the Hawai'i Employer-Union Health Benefits Trust Fund (EUTF)

Ask ERS



Employees' Retirement System of the State of Hawaii



ERS Bills Passed 2018 Legislative Session

The 2018 Legislative Session concluded on May 3, 2018. Four ERS-Initiated bills were passed by the legislature during this session:

H.B. 2336, H.D. 1, S.D. 2

Relating to Employer Contributions to the Employees' Retirement System

Allows the State and Counties to pay employer contributions to the ERS in advance of the fiscal year in which the contributions are required and receive credit against future required payments. Currently, the ERS is not able to accept employer contributions in advance of the fiscal year in which the contributions are required. Over time, the ERS will benefit from advanced employer

contributions as funds may be invested by the ERS and serve to reduce the Plan's unfunded liabilities. Future generations of taxpayers will benefit as the Plan increases its sustainability.
Effective: July 1, 2018

H.B. 2341, H.D. 1, S.D. 2, C.D. 1

Relating to Qualified Domestic Relations Orders

Amends Act 263, SLH 2016 which provides authority for the ERS to make direct payments to the spouse (or former spouse) of an ERS member or retiree in order to make more consistent the benefits payable to an alternate payee—whether the qualified domestic relations order is certified prior to, or after, the member or former member with vested benefit status retires.

In addition, this Act delays the effective date of Act 263 until July 1, 2020 when the ERS will have expended such funds and resources as are necessary to support implementation. The delayed effective date will allow the ERS to program and upgrade its computer system; develop policies, procedures and model forms; and educate members and other affected parties on the benefits provided by the Act.

Effective: Upon approval

S.B. 2766, S.D. 2, H.D. 1, C.D. 1

Relating to the Employees' Retirement System

This Act reduces and controls the unfunded liability of the ERS. It prevents future retirement contribution increases

Continued on Page 4

Annual Post-Retirement Increase Due in July 2018

Qualified retirees and beneficiaries with retirement dates in 2017 and earlier will receive their annual post-retirement increase in July 2018.

You may recall that increases of 2.5 percent (for membership dates before July 1, 2012) and 1.5 percent (for membership dates on or after July 1, 2012) are not compounded and are calculated on your base pension amount. Semi-monthly payees will receive their increase on July 13, 2018, while monthly payees will receive their increase on July 31, 2018.

Please keep the ERS payment statement you receive, because statements are only mailed out when there is a change in the pension amount. Your payment statement will show the gross payment amount, deductions withheld and the net payment amount. Confirm the net payment amount with the ERS deposit amount on your bank statement when you receive it.

Should you have any questions, please contact us at (808) 586-1735.

Online Info Update

The ERS has updated its website with member information as of May 2018. The updated online information is for active members in the Contributory, Noncontributory and Hybrid plans.

Retirement information and account balances may vary between members due to payroll lags and adjustments. Help us ensure that we have the most accurate information possible by logging on to the website at <http://ers.ehawaii.gov> and click on "Member Information (Active Members Only)."

To report any discrepancies with your account information, click on the link to the *Correction Form* and print and mail the completed form to ERS with a copy of your "My Retirement Account" screen print. Once we have completed our research, corrections will be applied and you will be notified of any changes.



Message from the Executive Director Positive Direction

The just-completed legislative session proved strongly positive for the ERS. As noted in greater detail on Page 1, we were successful ensuring that plan benefits will be extended only to true members of the ERS (SB2766), thereby upholding our fiduciary obligation to manage our program assets solely in our members' best interest.

Similarly, we were successful in establishing advance funding options for our employers statewide. Though modest, this represents another means whereby we might more quickly lower our unfunded liability and reduce long-term costs.

An important technical bill, SB2767, clarified permissible means applicable to the purchase of service, thereby protecting the plan's tax exempt status. And, importantly, HB2341 will afford us the time and expenditure of funds necessary to properly implement Hawaii Domestic Relations Orders (HiDRO's) beginning July 1, 2020.

On the budget front, our primary requests were treated favorably with expenditures allowed for technology and software enhancements, internal audit services and compliance staff.

We owe these results to the skillful efforts of our internal team, and to the support of the Governor, legislative leadership and their staff.

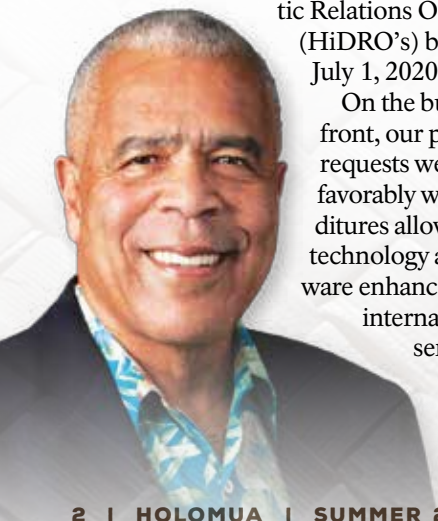
The ERS Board of Trustees established at its April 9, 2018 meeting an Ad Hoc Committee, chaired by Trustee Catherine Chan, to lead the efforts to hire a new Chief Investment Officer. Working closely with Kumabe HR, LLC, the committee has evaluated the credentials and capabilities of nearly 100 applicants. I am pleased to report that the process is on time, and confidence remains high that through it, we'll further strengthen our investment team, talent and investment results.

Finally, the ERS has joined forces with over 1900 other investment managers and asset owners to apply globally recognized Environmental, Social and Governance (ESG) principles to its investment decision-making process. We believe that this action not only further aligns our investment processes and outcomes with the state's long-term environmental goals, but enhances the impact and sustainability of both.

I'll be pleased to provide updates relative to these initiatives in the coming weeks and months.

Mahalo,

Thom Williams



Report from Howard Hodel, CFA Acting Chief Investment Officer

Aloha Kākou,

I'm happy to report that we are well on our way to achieving our seven percent target rate of return for fiscal year 2018. At the end of May, the ERS portfolio stood at nearly \$17 billion.

The portfolio pays lower fees and has higher income, lower volatility, and more diverse sources of return—from both capital appreciation and income—than ever before. Most importantly, the current structure, which we refer to as a “risk aware portfolio,” has a higher probability of achieving full funding status, an important objective of the ERS Board of Trustees.

But we've got a long road ahead of us as the current funding level is only 55 percent of actuarial liabilities—which is the present value of all future benefit payments to our retirees, as calculated by our actuaries. So,

We are well on our way to achieving our seven percent target rate of return for fiscal year 2018. At the end of May, the ERS portfolio stood at nearly \$17 billion. The portfolio pays lower fees and has higher income, lower volatility, and more diverse sources of return—from both capital appreciation and income—than ever before.

with approximately 26 years remaining to achieve full funding status, we are the epitome of long-term investors. To achieve that goal, we need to average a compounded seven percent annual return over that horizon.

We are not concerned with capital market scenarios where stocks and bonds do well since we know we can achieve our goal. We know that markets go through both significant bull (appreciating) and bear (depreciating) periods. Creating a risk aware portfolio that can weather market corrections and bear markets (during which equities lose 20 percent or more of their value) to take advantage of significant market drawdowns and use our liquidity to invest in undervalued assets, is the best way to maximize earnings.

We've actually come a long way since I joined the ERS investment office in March 2014 along with two other investment officers. With the chief investment officer

and two investment specialists who joined a few months earlier, we formed a six-person investment team with enough manpower and experience to begin the transformation of the ERS portfolio.

So far we've negotiated annual savings of millions of dollars in management fees and transitioned about three-quarters of the ERS capital into new mandates—many of which have increased our income, diversified risk factors and reduced the severity of capital market drawdowns.

How did we get here? The trustees made a landmark decision in late 2014 that began the process of moving the portfolio from a traditional asset allocation model using numerous equity and bond components to a risk-based methodology that encompasses five fundamental risk classes—Broad Growth, Real Return, Principal Protection, Crisis Risk Offset and Opportunities.

The new framework is risk aware because it explicitly groups strategies by their predominant risk, and many of the strategies adjust automatically to market conditions—this is especially true for Crisis Risk Offset strategies. These systematic strategies tend to add risk when markets are advancing (“risk-on” environment) and reduce risk when markets are retreating (“risk-off” environment). This works well when capital market trends persist and less well when trends do not materialize.

Broad Growth harvests the risk premia associated with corporate earnings growth,

economic growth and volatility; Real Return harvests the inflation risk premium; Principal Protection utilizes government interest income and serves as a source of liquidity in times of distress; and Crisis Risk Offset harvests alternative risk factors such as “flight to quality,” momentum, growth, value and quality across equity, fixed income, commodity and foreign exchange markets in a liquid, long/short framework.

Flight to quality is the tendency for U.S. Treasury bonds to rally and produce significant positive returns when other markets are in distress.

What's left? We're planning to implement an “overlay” strategy in the next year that will efficiently put our uninvested cash to work, streamline the rebalancing of our portfolio, and allow us to better manage our risk exposures. We still have 18 months left to refine and fully fund Crisis Risk Offset to a 20 percent capital allocation, another couple of years to complete our Real Return investments, and another four or five years to bring our private equity and real estate allocations in the Broad Growth class to about a quarter of the portfolio.

During my first four years at the ERS, I served as the Risk Officer, and for the past four months served as the Acting Chief Investment Officer. It's been a pleasure serving our beneficiaries in both of these functions.

Mahalo,

Howard Hodel, CFA
Acting Chief Investment Officer



UA 'IKE ANEI 'OUKOU? DID YOU KNOW?

Did you know that you should check on your ERS benefit eligibility **before** you decide to leave State or County service? See “Leaving Employment” on our ERS website at ers.hawaii.gov/members.

ERS Brown Bag Sessions

Find below our Fall 2018 O'ahu Brown Bag sessions:

DATE	RETIREMENT PLAN	DID YOU KNOW...
Wednesday, August 15	Hybrid - Tier 1	For previous Noncontributory members who transferred to the Hybrid plan, you are subject to the Hybrid eligibility requirements.
Thursday, August 30	Noncontributory	There are no death benefits if you are vested and terminated service, and waiting to age 55 or 65 to receive your unreduced pension.
Tuesday, September 18	Hybrid - Tier 1	You must keep your beneficiary designation current at all times.
Thursday, September 27	Noncontributory	All noncontributory members who are eligible to retire will receive a lifetime monthly pension even though they have not contributed into ERS.
Tuesday, October 16	Contributory	You may have pre-1987 contributions which can be withdrawn tax-free when you retire.
Tuesday, October 30	Hybrid - Tier 2	You would need at least 10 years of service to be vested to receive a lifetime pension.

All sessions are held from 11:30 a.m. to 12:30 p.m. at ERS in the City Financial Tower, Suite 1400 (14th floor).

Please register to attend a session by calling our office at 586-1735 at least one week prior to the session. Each session is limited to forty (40) members. There is also limited validated parking in our building. Feel free to bring your lunch, too!

Continued from Cover

by clarifying that accidental death and service-related disability benefits are limited to members who are employed in positions for which all employee and/or employer contributions are made as required (by the statutes relating to the ERS).

As a trust fund, this Act clarifies that ERS benefits related to service-connected disability and accidental death are limited to members who are beneficiaries of the trust.

Effective: Upon approval

S.B. 2767, S.D. 2, H.D. 1, C.D. 1

Relating to the Employees' Retirement System

This Act repeals certain provisions relating to a member's purchase of additional service credits by pre-tax contributions in order to ensure that the ERS maintains its status as a tax-qualified retirement plan under the Internal Revenue Code.

Act 86, SLH 2015 prospectively changed the cost to purchase membership service after June 30, 2020 to an actuarially-neutral cost to the ERS. The election of service purchase by payroll deduction might in some instances result in greater deferral of pre-tax retirement contributions than was

previously approved by the IRS. Therefore after June 30, 2020, purchase of membership service by payroll deduction will no longer be available. This amendment is necessary to maintain the tax-qualified status of the ERS.

Effective: Upon approval

The ERS Board of Trustees and ERS Staff acknowledge the Legislature, Governor Ige and the Department of Budget and Finance for their support during this legislative session. The above Acts and other legislation may be reviewed on the Hawaii State Legislature website at www.capitol.hawaii.gov.



Hawaii ERS Joins United Nations Supported Principles for Responsible Investment

Membership Affirms the System’s Commitment to Socially Responsible Investing

The Employees’ Retirement System (ERS) of the State of Hawaii announced that it has become a signatory to the United Nations-supported Principles for Responsible Investment (PRI), the leading international network of institutional investors committed to incorporating environmental, social and governance (ESG) factors in their investment decision-making.

By adding the ERS’s name to the over 1900 signatories who have agreed to put into practice six principles for responsible investing, the ERS has formally endorsed an investment framework that aligns both the State’s environmental and renewable energy mandate with the Fund’s fiduciary responsibility to members.

“By adhering to the Principles for Responsible Investment, the ERS is helping to transition to a more sustainable future while keeping the promises made to our state workers in the past,” stated Governor David Ige. “Hawaii was the first and so far only state in the union to adopt legislation aligned with the Paris agreement, and the ERS is building on that commitment by ensuring that our long-term investments are resilient to global challenges such as climate change.”

The PRI was created in 2005 by a group of institutional investors from around the world who came together at the behest of the UN Secretary General to establish principles that guide investors in their decision-making processes. The signatories of the PRI, as the network is known, collectively have some \$73 trillion in assets under management.

Thomas Williams, ERS Executive Director, notes: “While evaluating virtually any investment we weigh our constituents’ interest—both in terms of maximizing return and implementing socially responsible investing. Consideration of the environmental, social and governance impacts resulting from our investment decisions is not incompatible with our primary obligation to invest with our members’ interest first. In fact, our members’ interest requires that we weigh such factors. The ERS has already worked to align its investing with state environmental and renewable energy goals, by reducing its exposure to fossil fuels by 30 percent over the past two years.”

Adherence to the PRI is expected to add portfolio value over the long-term and support sustainability goals worldwide.

“We are very pleased to welcome the Employees’ Retirement System of the State of Hawaii to the PRI, and we applaud their commitment to responsible investment,” said CEO Fiona Reynolds. “We hope this sends a signal to other pension funds about the importance of sustainable investing

“By adhering to the Principles for Responsible Investment, the ERS is helping to transition to a more sustainable future while keeping the promises made to our state workers in the past.” — Governor Ige

strategies and how they can be used to maximize returns for beneficiaries.”

ERS’s current investment policy emphasizes the balance between the Fund’s investment returns and good citizenship through environmental awareness, ethical behavior,

internal controls, performance measurement and sound corporate governance practices. The voluntary and aspirational Principles for Responsible Investments aim to further the understanding of the implications of sustainable investing and to support signatories in the incorporation of ESG issues into their decision making and ownership practices. Key principles of responsible investing can be found at: unpri.org.

“Joining the PRI represents a more thoughtful, effective and holistic approach to environmental, social and governance concerns than can be achieved through our

responding to one-off concerns,” affirms ERS Board Chair, Emmit Kane. “We have long considered ESG issues as a component of our investment policy, but collaboration with PRI and its signatories will allow us to take our impact to the next level.”

2018 Fall Filing Sessions

For Oahu members, if you plan to retire on **September 1, October 1, November 1, December 1 or December 31, 2018**, you must file your application by the deadlines indicated below in the “notable dates” section.

If you have not already done so,

contact our office at (808) 586-1735 to schedule your appointment. Below are the dates for the filing sessions.

For Neighbor Island members, please contact our staff on your island directly for an appointment.

FILING SESSION DATES	NOTABLE DATES
July: 6, 10, 13, 18, 20, 24, 26, 31	
August: 1, 2, 7, 9, 14, 16, 22, 24, 29, 31	August 2 = Last day to file for Sept. 1 August 31 = Last day to file for Oct. 1
September: 5, 7, 12, 14, 26, 28	
October: 1, 2, 8, 9, 10, 11, 12, 17, 19, 24, 26, 31	October 2 = Last day to file for Nov. 1
November: 1, 7, 9, 14, 16, 19, 21, 28, 29, 30	November 1 = Last day to file for Dec. 1 November 30 = Last day to file for Dec. 31

Contact us at (808) 586-1735 or visit our website for more information on the appointment schedule at <http://ers.hawaii.gov>. under Members> Retirement Planning.

Medicare Part B

In accordance with Hawaii Revised Statutes 87A-23(4), to be eligible for EUTF retiree medical and prescription drug plans, State and County retirees and their dependents who are Medicare Part B eligible must have Medicare Part B in effect. Employees who are retiring and eligible (and eligible dependents) must enroll in Medicare Part B prior to retirement to ensure eligibility for EUTF retiree medical and prescription drug plans. The table on the right, illustrates Medicare Part B enrollment periods for those retiring (and their dependents) who are age 65 or older at the time of retirement:

TIMETABLE FOR THOSE RETIRING AND DEPENDENTS AGE 65 OR OLDER*		
Sign up for Medicare Part B	Medicare Part B Coverage Starts	Break in EUTF Medical and/or Prescription Drug Coverage
1-3 months prior to retirement	The first of the month of retirement	None
The month of retirement	The first of the month of retirement	None
1-7 months after retirement	2-8 months after retirement	Two to eight months
During the Jan. 1-Mar. 31 General Enrollment Period	July 1	Based on month of retirement

TIMETABLE FOR RETIREES ALREADY ENROLLED IN EUTF MEDICAL OR PRESCRIPTION DRUG PLANS WHO TURN 65*

Sign up for Medicare Part B**	Medicare Part B Coverage Starts**	Break in EUTF Medical and/or Prescription Drug Coverage
1-3 months prior to turning 65	The first day of the month you turn 65	None
The month turning 65	1 month after signing up	One month
1 month after turning 65	2 months after signing up	Three months
2 months after turning 65	3 months after signing up	Five months
3 months after turning 65	3 months after signing up	Six months
During the Jan. 1-Mar. 31 General Enrollment Period	July 1	Based on month turning 65

** These columns apply if your birthday is NOT on the first of the month. If your birthday is the first of the month, the month prior to your birthdate is considered your birth month. For example, if your birthday is July 1st, you should sign up in March, April or May for a coverage start date of June 1st to avoid a break in your EUTF medical and prescription drug coverage.

Inform EUTF of Changes in your Life

Please provide written notification to the EUTF of changes that may affect your or your dependent's eligibility, such as divorce, remarriage of surviving spouses, loss of dependent full-time student status, or a retiree's return to work. Notification of such events should be documented on an EC-1 Enrollment

Form for active employees and submitted to designated personnel or an EC-2 Enrollment Form for retirees and mailed to EUTF, 201 Merchant St., Suite 1700, Honolulu, HI 96813.

The EUTF will routinely perform eligibility audits to identify ineligible members. Remaining on EUTF plans if ineligible or failure to remove ineligible dependents in a timely manner will result in termination of coverage and collection

Retirees and dependents already enrolled in a EUTF or HSTA VB medical or prescription drug plan and turning 65 should enroll in Medicare Part B prior to their month of birth. However, if you or your spouse are already receiving Social Security benefits, the federal government will automatically enroll you in Medicare Parts A and B. You or your spouse do not need to do anything. The table to the left, illustrates Medicare Part B enrollment periods for those already retired and their dependents who turn age 65:

*The timetables listed above offer a brief overview of Medicare enrollment periods and coverage start dates. This document does not supersede policies and procedures established by the Social Security Administration. Please contact the Social Security Administration at 1-800-633-4227 for the most current information on Medicare enrollment procedures.

Additionally, you or your dependent have 60 days from the date of your retirement (if you or your dependent are 65 or older at the time of retirement) or from the date you or your spouse turned 65, to provide the EUTF with proof of enrollment in Medicare Part B. Otherwise, you and/or your dependents will be terminated from the EUTF or HSTA VB retiree medical and prescription drug plans, effective on your retirement date—or you or your dependent's 65th birthday. You and/or your dependents may re-enroll into the retiree medical and prescription drug plans, effective the latter of your retirement date and you or your dependent's Medicare Part B effective date, once you or your dependent provide EUTF with proof of Medicare Part B enrollment.

by the EUTF of prior amounts paid by the employers on behalf of ineligible members.

Diabetes Prevention Program HMSA/Kaiser Medicare Retirees and Dependents

Diabetes affects more than 25 percent of Americans aged 65 or older, and will double by 2050, affecting one in three

adults. **Beginning April 1, 2018** EUTF and HSTA VB retirees and dependents with Medicare Part B who have prediabetes

have a new benefit—the Medicare Diabetes Prevention Program (MDPP). MDPP consists of group-based, classroom sessions offered over the course of a one- to two-year period emphasizing progression toward weight loss goals through dietary change and increased physical activity.

MDPP is a once in a lifetime benefit and can only be provided by approved MDPP providers to eligible participants. HMSA Medicare retiree members can get assistance finding a MDPP provider by calling 948-6499 on Oahu or 1 (800) 776-4672 toll-free on the Neighbor Islands. For Kaiser Permanente members interested in MDPP, contact one of our Lifestyle Coaches at 808-432-2260 who can connect you with a MDPP provider.

EUTF HMSA Active Employees

On July 1, 2018, EUTF HMSA active members, excluding HSTA VB members, may be eligible to participate in HMSA's new Diabetes Prevention Program (DPP). DPP, which is modeled after MDPP. DPP is designed to help members with predi-

abetes prevent or delay type 2 diabetes. The program offers classroom sessions that teach dietary changes and promote increased physical activity to support healthy, gradual weight loss. The sessions are offered over a two-year period.

Eligible HMSA members can participate in DPP at no cost. To find out if you're eligible to enroll in this program, talk to your primary care provider or call HMSA at 948-6499 on Oahu or 1 (800) 776-4672 toll-free on the Neighbor Islands. Representatives are available Monday through Friday, 7 a.m. to 7 p.m., and on Saturday from 9 a.m. to 1 p.m.

Find out if you may have prediabetes by taking a 30-second online test powered by the American Diabetes Association. To take the test, go to <https://doihaveprediabetes.org/prediabetes-risk-test.html>

Make the Most Out of Your Health Benefits

Make the most out of your health plans by registering online and using online tools. Enjoy the following benefits:

- **Better understand your benefits.**

The health plan sites allow you to view the benefits you have received, how much the plan has paid on your behalf, and how much you have paid out of pocket. This can be a great resource particularly when debating whether to change plans during open enrollment.

- **Learn about other online tools and cost saving programs.** For example, through HMSA My Account, HMSA members can learn more about HMSA's other online platforms, Sharecare and HMSA's Online Care. The CVS Caremark app makes it easy for members to sign up for mail order, determine the member's cost of a prescription drug and find alternatives to high cost prescription drugs. The Kaiser Permanente app allows members to schedule appointments, refill prescriptions, or email their doctor with non-urgent questions.

- **Detect fraud.** The health plan sites provide information on the services that were billed to your health plans. Should you

see a service or prescription drug that was not provided to you, you should contact the health plan immediately.

- **Easy access to your member ID card.**

The health plan sites allow you to view your member ID card or request a new one if needed. This is very helpful if you forget to bring your medical or prescription drug ID card to doctor or pharmacy.

To discover additional benefits specific to each health plan, register today.

- *If you are an HMSA member, register for HMSA My Account at hmsa.com. Questions about your account? Call HMSA (948-6499 on Oahu or toll free at 1-800-776-4672 on the Neighbor Islands and mainland.*

- *If you are a CVS Caremark member, register at Caremark.com or download their mobile app. Questions? Call CVS Caremark (1-855-801-8263).*

- *If you are a Kaiser Permanente member, register on kp.org/registernow or download their mobile app. Questions? Call Kaiser Permanente (432-5250 on Oahu or toll free at 1-844-276-6628 on the Neighbor Islands).*



HMSA MEMBERS

Are you making time to exercise, eat well, and get enough sleep? Research shows that about 70 percent of your health depends on how well you take care of yourself. To get a better picture of how you're doing, register for Sharecare and complete the RealAge® Test. The test asks you questions about your health habits and history to give you a RealAge, or your body's age according to science.

Register on hmsa.com/sharecare, link your HMSA subscriber ID, and take the RealAge Test. **Complete the test by October 31 for a chance to win one of ten \$500 Visa gift cards*.**

RealAge® is a registered mark of Sharecare, Inc. Sharecare, Inc., is an independent company that provides health and well-being programs to engage members on behalf of HMSA.

KAISER ACTIVE MEMBERS

The online wellness rewards program is open to all Kaiser EUTF subscribers and their enrolled spouses/domestic partners—excluding retirees and those enrolled in the HSTA VB plan.

Keep moving towards healthy rewards and earn up to \$100 by taking healthy steps to thrive!* Take a confidential Total Health Assessment, which is an online questionnaire to see what's impacting your health.

Get started at kp.org/eutf.

*Prizes/rewards are subject to federal and state taxes. For HMSA official rules go to hmsa.com/eutf. For Kaiser Permanente rules go to kp.org/eutf.

KAISER RETIREES & DEPENDENTS 18+

Give yourself the winning edge with our free online healthy lifestyle programs. Take a confidential Total Health Assessment, which is an online questionnaire to see what's impacting your health. Based on your results, you will receive a customized action plan.

Get started at kp.org/healthylifestyle.

IMPORTANT

The EUTF is a separate organization from the ERS. If you have any questions about information in these articles, please contact the EUTF directly. Contact information: (808) 586-7390, 1 (800) 295-0089 toll free; email: eutf@hawaii.gov



Employees' Retirement System
of the State of Hawaii

201 Merchant Street, Suite 1400
Honolulu, HI 96813-2980

ERS Board of Trustees

Emmit Kane, Chair
Jerry Rauckhorst, Vice Chair
Vincent Barfield
Catherine Chan
Jackie Ferguson-Miyamoto
Laurel Johnston
Genevieve Ley
Wesley Machida

Thomas Williams

Executive Director

Kanoe Margol

Deputy Executive Director

Contact ERS-Pension

Monday-Friday 7:45am-4:30pm
(Except State Holidays)

For pension related questions,
please contact ERS at:

O'ahu: (808) 586-1735

Kaua'i: (808) 274-3010

Hawai'i: (808) 974-4077

Maui: (808) 984-8181

Moloka'i & Lāna'i

toll-free to Maui:

1 (800) 468-4644, ext. 48181

Continental U.S.

toll-free to O'ahu:

1 (888) 659-0708

<http://ers.ehawaii.gov>

Contact EUTF

Medical Coverage

Monday-Friday: 7:45am-4:30pm
(Except State Holidays)

For medical coverage and
medicare reimbursements,
please contact EUTF at:

(808) 586-7390

Toll-free: 1 (800) 295-0089
or email at eutf@hawaii.gov

PRSR STD
U.S. POSTAGE
PAID
HONOLULU, HI
PERMIT NO. 643

SUMMER 2018

HOLOMUA
RETIREES & ACTIVE MEMBERS

Ask ERS

Answers to some frequently asked questions:

Q: I received a call from an ERS Representative offering to provide personal and one-to-one counseling services offsite. What counseling services are available outside of the ERS offices?

A: First, the ERS does not provide one-to-one counseling services outside of the ERS offices, except for scheduled counseling services at specific locations (i.e. Kona) and other islands without ERS offices (i.e. Lāna'i and Moloka'i). Should you receive a call suggesting or requiring an appointment outside of our office, please do not accept it, and contact the ERS office at 586-1735 immediately. It would be helpful to provide as much information as possible about the call. All informational and retirement counseling sessions (except for the locations and islands mentioned above) are held at our offices on O'ahu and the neighbor islands (Hawai'i, Maui, and Kaua'i).

Q: The home I own is in the Puna eruption area. I had to evacuate from my home and now need to rent housing elsewhere. Although I am still working, can I withdraw my retirement contributions to help me pay for rent since this is an emergency situation?

A: We are sorry that you and other members have been impacted by the Kīlauea eruption. Retirement contributions for Contributory and Hybrid Plan members must remain with the ERS if members are employed and in service with the State or the counties. There are no exceptions in our laws because we need to ensure that the ERS maintains its status as a tax-qualified retirement plan under the Internal Revenue Code. Therefore, we cannot allow members who are in service to withdraw or borrow from their retirement accounts, nor to reduce the statutory rate of their contributions. Members are only able to withdraw or receive a full or partial refund of their accumulated retirement contributions after a termination of employment and/or retirement (under certain retirement options).