

A view from Koko Head Crater overlooking the Hawaii Kai neighborhood.

WINTER 2018

# IN THIS ISSUE

Message from the Executive Director

Neighbor Island Retirement Workshops for 2019

Report from Elizabeth T. Burton, CIO

ERS Presented with Public Pension Coordinating Council Standards Award

2019 Spring Filing Session Schedule

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

2019 Pension Payment Schedule & Notices



Employees' Retirement System of the State of Hawaii

# HOLOMUA

RETIREES & ACTIVE MEMBERS

## ERS Commits to Socially Responsible Investing

On September 14, 2018, the Employees' Retirement System of the State of Hawaii formally became 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 over 1900 signatories who agreed to put into practice principles for responsible investing, the ERS formally endorsed an investment

framework that aligns both the State's environmental and renewable energy mandate with the Fund's fiduciary responsibility to its members.

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 implica-

tions of sustainable investing and to support signatories in the incorporation of ESG issues into their decision-making and ownership practices.

The PRI signing ceremony coincided with the Global Climate Action Summit held in San Francisco which brought together leaders and people from around the world to encourage worldwide commitment and action to prevent dangerous climate change. Governor Ige was among the participating dignitaries affirming Hawaii's commitment to global climate action.

## Important Year-end Tax Information

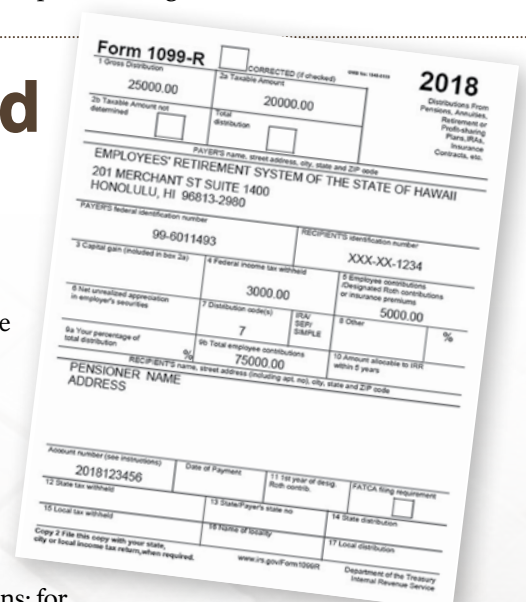
If you received benefits from the ERS during 2018, your 2018 Form 1099-R will be mailed to your home address by January 31, 2019. Reprint/duplicate Form 1099-R requests will only be processed after February 6, 2019 to allow time for mail delivery. To submit an address change, please complete the Mailing Address Change form on our website at <http://ers.ehawaii.gov> (Resources>All Forms>General>ERS-211 Mailing Address Change).

The ERS is a "government

defined benefit pension plan;" therefore, all benefits paid by the ERS are classified as "pension" benefits and are reported on the Internal Revenue Service (IRS) Form 1099-R. For terminated members, this benefit includes refund of contributions; for retirees, this includes option refund payments and disability benefits. (Certain retirees receiving service-connected disability benefits will receive the Annual Nonreportable Benefit

Notice.) If you have a professional tax advisor, accountant, and/or tax preparer, we suggest that you

**Continued on Page 5**



Message from the Executive Director

# Persistent Change... Constant Improvement

Intergenerational organizations like the ERS may appear on the surface to change very little, month to month or year to year. Certainly, our core function of providing guaranteed lifetime income during retirement proceeds unaltered from one generation of member beneficiaries to the next. As it relates to staffing levels, we don't routinely grow much year to year. Long serving staff progress toward retirement and more junior staff acquire experience and step up to replace them by shouldering new and increased responsibilities. The regularity with which benefit payments are received and the largely predictable nature of our day-to-day work flow masks our ongoing assessment of how best to meet your future needs.

Several examples come to mind. We have a very competent investment team. They have collectively provided returns equal to or better than many of our peer public funds and are to be congratulated. But the investment markets have grown in complexity, in risks, in relative size and in strategies. This persistent evolution requires our staff resources to keep up with the evolving demands of the markets in which we invest. This in turn requires a persistent sense of curiosity, constant learning and professional development. Our new Chief Investment Officer, Elizabeth Burton, is charged with leading our effort to develop and deliver next generation investment expertise. Why?

Because that is what will be required if we are to effectively meet our responsibility to expertly manage those monies entrusted to us.

Another area of change is to be found in our delivery of service to you, our members.

Under the leadership of

Kanoe Margol, Deputy Executive Director, and Branch Chief, Karl Kaneshiro, we have made great strides in the proposed restructure of our Retirement Benefits Branch. This is the group responsible for guiding you through the retirement process and for determining final benefits. We are better aligning our internal operations to interface more directly with the types and levels of service being demanded by both you and your employers.

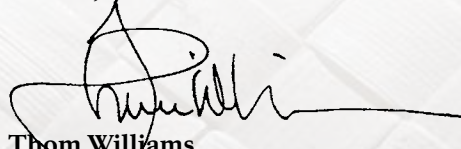
Technically, we are upgrading our administrative system and migrating our data and digital infrastructure to the cloud. This represents a complex multi-year process that will further strengthen service delivery and information security. Keith Miyamoto is expertly guiding this process.

Our Accounting Branch is led by Larry Wolfe. Often seen as providing "back office" operations, it has grown in its importance as the regulatory environment, compliance requirements and investment challenges have multiplied. A new accounting system in combination with a "best practices" review will lead to more efficient and timely delivery of management and governmentally required reports.

While legislatively mandated benefit changes, contribution increases and unfunded liabilities garner most of the headlines, I want to make you aware of the constant improvement occurring outside the sight line and below the surface. Virtually every staff member is directly engaged in one or more of these projects while continuing to provide superior day-to-day service. We engage in these efforts to ensure our primary responsibility of providing income security into retirement goes uninterrupted and from your perspective is viewed as rather routine, both now and into the future.

Be safe and enjoy the holidays!

Mahalo,



Thom Williams

**friendly  
reminder**

## 2019 Neighbor Island Retirement Workshops

Our 2019 neighbor island retirement workshop schedules for active members have been posted on the ERS website at <http://ers.ehawaii.gov>. On our Home Page, you can click "Retirement Workshops" and it will take you directly to their schedules.

We recommend that you attend these pre-retirement workshops whether you are just planning or seriously thinking about retirement within the next two years. Our informational workshops provide an overview of the plans. Our neighbor island staff from our ERS offices on Hawaii, Maui, and Kauai conducts both pre-retirement and informational workshops.

Registration instructions are provided on the schedule for each neighbor island office. Early registration is highly recommended, as the number of attendees for each session is limited.

## Online Info Update

The ERS has updated its website with member information as of **November 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 "Member Information (Active Members Only)".

To report any discrepancies with your account information, click 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.



# Report from Elizabeth T. Burton, CAIA, Chief Investment Officer

Aloha Kākou,

I have just completed one month as Chief Investment Officer at ERS. I have spent these first few weeks working with our talented investment team and dedicated Executive Director getting up to speed on the assets in the portfolio, assessing our investment risks, and understanding the history of our Plan and the path that led to our thoughtful structure. What I have found is a very deliberate and intricately designed asset allocation that is built to both mitigate the risks we face in the markets as well as capitalize on them in order to further the mission of the investment office:

*To obtain a reasonable return on investments consistent with the preservation of principal, while maintaining sufficient liquidity to react to the changing environment and to pay benefits when due.*

Each investment in this portfolio is part of a calculated plan designed to drive us towards our target of an average compounded seven percent annual return.

For a nimble office, we pack quite a punch. Across the six investment professionals (myself included), there is an average of 23 years of investment experience and over 140 years of combined investment experience. On our team, we have BAs, BSs, and MBAs from some of the top schools in the country and accreditations from the most respected professional organizations in the industry. We have a wealth of institutional knowledge that has been with us for a long time—a rarity in an industry which is trending towards 2-year tenures. The team we have here at ERS is our greatest strength. We each bring expertise from different parts of the financial markets which enables us to have multiple viewpoints. Although we work cohesively, individually we are able to opine on every part of the portfolio, and that makes us not only unique but robust.

This robustness could not be more critical now as we enter a higher volatility regime in the markets. Higher volatility poses opportunities to take advantage of dislocations but also threats, which requires

careful risk and liquidity management. In this post-global financial crisis era, the market has exhibited a very narrow range of outcomes relative to history. While one month certainly does not a trend make, the combination of the end of Quantitative Easing (QE) and Fed tightening, end-of-cycle pricing/valuations, and geopolitical anxiety sets the stage for more dispersion moving forward. We should expect more volatility—or fluctuations—in returns to risk assets over the next decade. Nevertheless, the past few months do not necessarily signal a bear market in the short-term (next 12-24 months), and as a 55 percent funded plan, it is critical that we maintain our equity exposure—our key return driver—but in a way that reflects this new regime. So how do we navigate this tricky environment?

Through the end of the third quarter of 2018, the ERS portfolio had returned 6.9 percent over the previous twelve months. In comparison, over the same time horizon, in public markets, global equities gained 5.6 percent. On a fiscal year-to-date basis (the three months of July 2018 through September 2018), the portfolio returned 2.5 percent. While the first three quarters of 2018 have been strong for the portfolio, we expect the remainder of the year to be more challenging. Intra-month fluctuations in equity markets have already been trending higher: the VIX (a measure of stock market's expectations of volatility) ended October at 21—that is a 92 percent increase from the 11 that the VIX averaged for all of 2017.

The good news is that the portfolio as designed (and as Investment Officer Howard Hodel so eloquently explained in prior publications) is performing its function. Our Broad Growth portfolio—which has experienced the most stress fiscal year-to-date—is intended to be the return driver of the portfolio because of its exposure to the equity risk premium but it is also expected to be the most volatile; its performance has been consistent with the volatility we have seen in the markets

recently. Our Principal Protection portfolio has performed its function—capital preservation during difficult periods for Broad Growth. The Alternative Return Capture portfolio, which is designed to capture non-market risk premiums (the equity risk premium would be an example of a market risk premium), has similarly performed its function of capturing additional sources of return (momentum, value, etcetera) independent of broad stock market performance.

We have just experienced one of strongest bull markets in both stocks and bonds in history with one of the lowest periods of volatility. However, we are in the late part of the cycle and returns to traditional asset classes will be lower going forward. Research Affiliates estimated that returns to a traditional 60/40 portfolio (which we are not) could produce real returns of less than one percent with a volatility of 8.6 percent over the next 10 years.

As Howard Hodel explained in the Summer 2018 Holomua, “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.” This is what we have done. We are patient, long-term investors and we have structured the portfolio to maximize our ability to weather different market environments.

Thank you for allowing me to serve you as your Chief Investment Officer. I am honored by the opportunity.

Mahalo,  
**Elizabeth T. Burton, CAIA**  
Chief Investment Officer



## UA 'IKE ANEI 'OUKOU? DID YOU KNOW?

Did you know there are retirement planning workshops and counseling/filing session appointments scheduled throughout the year? Refer to our ERS website at [ers.hawaii.gov](http://ers.hawaii.gov) and click the “Retirement Workshops” link on our home page for information for prospective retirees on all islands.

## ACTIVE MEMBERS

# ERS Brown Bag Sessions

Find below our Spring 2019 Oahu Brown Bag sessions:

DATE	RETIREMENT PLAN	DID YOU KNOW
Tuesday, February 5	Hybrid - Tier 1	For members who were previously in the Noncontributory plan, regardless whether you participated in the upgrade program, you are only in one plan - HYBRID.
Tuesday, February 26	Noncontributory	If you terminate prior to age 62 with less than 20 years of service, you will have to wait until age 65 to retire.
Thursday, March 7	Hybrid - Tier 1	Mandatory contributions of 6 percent are deducted from your salary each pay period.
Wednesday, March 13	Noncontributory	There are 4 potential retirement options to select from when you retire.
Tuesday, April 2	Contributory	There are 17 potential retirement options to select from when you retire.
Thursday, April 18	Hybrid - Tier 2	Mandatory contributions of 8 percent are deducted from your salary each pay period.

All sessions are held from 11:30 am to 12:30 pm 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!



The Holt 'ohana from left: Maile, Kala'e, Kainoa, Ka'olu and Bradford

## ERS Board of Trustees Recognizes ERS Employee's Family

At its October 9 meeting, the ERS Board recognized the 2018 Little League World Series Championship team from Honolulu and Bradford Holt, a 10-year member of the ERS 'ohana and father of winning pitcher, Ka'olu Holt. The Board extended its congratulations to Bradford, his wife Maile (also an ERS member), and their sons, Kala'e, Kainoa and Ka'olu, and acknowledged the team's display of persistence and sportsmanship, and for exemplifying the true spirit of aloha.

# ERS Presented with Public Pension Coordinating Council Standards Award

On November 1, 2018, the Employees' Retirement System received a Public Pension Standards Award in recognition of meeting professional standards for plan funding and administration.

The Public Pension Coordinating Council is a coalition of three associations: the National Association of State Retirement Administrators, the National Council on Teacher Retirement and the National Conference on Public Employee Retirement Systems representing a majority of public pension funds in the United States. The standards set by this council are intended to reflect minimum expectations for public retirement system management and administration, as well as serve as a benchmark by which all defined benefit public plans should be measured.

To receive the Recognition Award for

Administration, the retirement system must certify that it meets the requirements in five areas of assessment:

**1. Benefit Program.** The system provides a comprehensive benefit program including service retirement benefits, in-service death benefits, disability benefits, vesting, and provisions for granting a cost-of-living adjustment.

**2. Actuarial Review.** An Actuarial Valuation must be completed at least every two years using generally recognized and accepted actuarial principles and practices.

**3. Audit Standards.** The system must obtain an unqualified opinion from an independent audit conducted in accordance with government auditing standards generally accepted in the United States.

**4. Investment Standards.** The system must follow written investment policies and

written fiduciary standards, and the system must obtain an annual investment performance evaluation from an outside investment review entity.

**5. Communications.** Members must be provided a summary plan description, regular updates to the documents, and benefit statements. Meetings of the governing board of the system are conducted at least quarterly with adequate public notice.

To receive the Recognition Award for Funding, the retirement system must certify that it meets the requirements for funding adequacy, by approving and implementing a plan to reach a funded ratio of 100 percent, and by meeting contribution rates of 100 percent of the Annual Required Contribution.

This recognition supports the goals and strategic vision of the ERS.



## Continued from Cover

make this information available for their review.

In most cases, you will receive only one Form 1099-R. However, you may receive several different 1099-R forms if you:

- (1) took a refund option with a rollover to another retirement account;
- (2) became age 59½ during 2018, or
- (3) received benefits as a retiree and as a beneficiary.

For more information you may want to review:

– the Retiree FAQ section of the ERS website <http://ers.ehawaii.gov> (Retirees/Retirees FAQs) or

– information on the IRS website (<http://www.irs.gov>) such as IRS Publication 575, Pension and Annuity Income, the instructions for IRS Form 1040 U.S. Individual Income Tax Return

## How is the IRS Form Organized?

The 1099-R is a four-part form with instructions on the back of the form. Copy B is to be used in preparing your federal return. Retain Copy C for your records and keep it in a safe place for future financial purposes. You may disregard Copy 2, since all benefits received from the ERS are exempt from State of Hawaii income tax. If you are living out-of-state, you should consult a qualified tax preparer regarding the tax laws in your area.

Your 2018 IRS Form 1099-R will include the following information:

**Box 1 – Gross distribution:** Total benefit payment(s) the ERS paid to you in calendar year 2018 per IRS Distribution Code (in Box 7).

**Box 2a – Taxable amount:** The taxable portion of your benefit payment(s) on this 1099-R.

**Box 4 – Federal income tax withheld:** The amount of federal income tax the ERS withheld from your benefit payment(s), if any, during calendar year 2018.

**Box 5 – Employee contributions/Designated Roth contributions or insurance premiums:** The portion of your gross benefit payment(s) not subject to taxes and the difference between Box 1 and Box 2a. This is the amount of after-tax contributions that the IRS allows you to recover tax free for the year.

*Note: Box 5 is only applicable to certain retirees of the Contributory or Hybrid Plan*

*who made contributions on an “after-tax” basis to the ERS.*

**Box 7 – Distribution code(s):** Denotes the type of payment you received. The IRS uses this code to determine the proper tax treatment of your benefit payments.

The IRS Distribution codes used for payments made by the ERS include:

- 1 – Early distribution, no known exception (in most cases, under age 59½). (Note certain distributions may be subject to an additional 10 percent tax.)

2 – Early distribution, exception applies (under age 59½).

3 – Disability.

4 – Death.

7 – Normal distribution.

**G – Direct rollover of a distribution to a qualified plan, a section 403(b) plan, a governmental section 457(b) plan, or an IRA.**

Account Number: A unique number for each ERS 1099-R Form that helps identify duplicate forms if you request a reprint.

## 2019 Spring Filing Sessions

We have scheduled dates and times for upcoming ERS counseling appointments for Oahu members who are retiring from March 1, 2019, through August 1, 2019. Neighbor Island members may contact our island representatives for an appointment.

At the appointments, we will help you complete your retirement application, copy and return your proof documents, and provide counseling on your ERS pension benefits. Together we will review your ERS Estimate Letter that is based on your retirement date, your service and salary history and your proposed beneficiary. We will thoroughly explain the retirement options available and answer any questions you may have about beneficiary benefits, refunds of contributions (if applicable) and taxability of payments.

We have a number of members walking into our office without appointments seeking to file their

retirement application. Many are unprepared to submit their documents and, as we do not have their ERS Estimate Letter prepared, we are not able to fully counsel members on their benefits. In many cases, members have to return to complete the application process. For this reason, we request that you schedule your appointment early so that we will have time to review your records and have the Estimate Letter prepared for your appointment. We encourage our members to bring their spouse and/or significant other, as well as their financial advisor to their filing appointment, if desired.

Plan ahead and contact our office to schedule an appointment. Do not wait for the last day to file your application. Note that there is no penalty to change retirement date within the 150 days of filing.

The upcoming session dates are listed below: appointment times are 8:00 am, 9:15 am, 10:30 am, 1 pm, and 2:15 pm at the Oahu ERS:

FILING SESSION DATES	NOTABLE DATES
January 30	January 30 = Last day to file for March 1
February: 6, 8, 14, 20, 21, 22, 27, 28	
March: 1, 6, 8, 14, 18, 19, 20, 21, 22, 28, 29	March 1 = Last day to file for April 1
April: 1, 5, 10, 12, 16, 17, 24, 26, 30	April 1 = Last day to file for May 1
May: 1, 2, 10, 15, 17, 23, 29, 30, 31	May 2 = Last day to file for June 1 May 31 = Last day to file for July 1
June: 5, 13, 19, 20, 21, 26, 27, 28	
July 2	July 2 = Last day to file for August 1

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

## Administrative Rule Changes that May Affect You

Annually the EUTF Board updates the EUTF Administrative Rules. The following EUTF Administrative Rule changes will become effective immediately:

### FOR ACTIVE & RETIREES

changes will become effective immediately:

- Enrollment forms and

supporting documents must be provided 45 days from the date of the event (previously it was 30 days for enrollment forms and 60 days for supporting documents). Exceptions are 1) birth (180 days), 2) retirement and surviving spouse, partner or child who become eligible due to the death of the employee or retiree (60 days), and 3) termination of employment (30 days).

- Active employees and retirees have 60 days (previously it was 30 days) to make payment of back and current premiums to be reinstated into plans after cancellation due to non-payment, provided they have not been cancelled for non-payment within twelve (12) months of the date of the notice of cancellation.

- An active employee who is enrolled in an EUTF medical and prescription

drug plan and gains coverage under a non-EUTF medical and prescription drug plan, may enroll in the EUTF HMA supplemental medical and prescription drug plan. The effective date of the change shall be the first day of the pay period following the cancellation of the EUTF medical and prescription drug plan.

## Save with Generics

Looking for ways to save money this holiday season? Are you currently paying for a brand medication? Generic equivalents are FDA-approved, have the same active ingredient(s), and are as safe and effective as the brand name drug. The difference? They can be as much as 90 percent less in drug copayments. CVS/SSI and Kaiser members: Download the CVS Caremark or Kaiser app and search the generics to your brand name drug. Then, consult with your physician or pharmacist about whether a generic alternative is a good option for you.

*If you have any questions regarding finding a generic alternative, contact CVS (toll free 1-855-801-8263), SilverScript (toll free 1-877-878-5715) or Kaiser (432-5955 on Oahu or toll free 1-800-966-5955).*

## Advance Directives

**At Kaiser Permanente**, we support your right to make decisions regarding

your health care. In fact, we encourage you to make these important decisions now, when you are healthy, with a written document called an Advance Directive. In the event that you are not able to communicate your wishes, an advance directive can help your friends and family with end of life decisions. By putting your wishes in writing, your family and health care providers will know what you want if you are unable to make decisions for yourself

*For more information, please speak with your Primary Care Physician, or call our Continuing Care Department at 808-432-7100, option 3.*

### HMSA Active and Retiree Members:

Plan for your future today. It's easy to do with Advanced Care Planning (ACP). ACP can help you plan for your medical treatment and care if you can't make those decisions in the future.

**Starting January 1, 2019, EUTF and HSTA VB HMSA retirees will not be charged when you see a participating doctor to talk about ACP.**

Interested in ACP? Make an appointment with your primary care provider (PCP) to start planning for your health care.

*For a full description of your benefits, go to [hmsa.com/eutf](http://hmsa.com/eutf) to view your Guide to Benefits. You can also call HMSA at 948-6499 on Oahu or 1 (800) 776-4672 toll-free.*

## Medicare Part B Premium Reimbursements for 2019

For 2019, most Medicare Part B premiums will be the standard \$135.50 per month. If your and/or your spouse's 2018 Medicare Part B premium reimbursement is equal to or greater than \$119.00 per

month or \$357.00 per quarter, the EUTF will automatically adjust your and/or your spouse's Medicare Part B premium reimbursement for 2019 to \$135.50 per month or \$406.50 per quarter, you do not have to do anything. If your and/or your spouse's 2018 Medicare Part B premium reimbursement is less than \$119.00 per month or \$357.00 per quarter, the EUTF will not change your current reimbursement to the standard amount of \$135.50. You must submit a copy of your 2019 Social Security Administration

(SSA) letter indicating your Medicare Part B premium to receive the correct reimbursement from the EUTF; otherwise, you will be reimbursed the same amount as in 2018.

If your and/or your spouse's Medicare Part B premium for 2019 is an amount greater than the standard amount of \$135.50, you must provide EUTF with a copy of your and/or your spouse's SSA letter indicating your Medicare Part B premium to receive the correct reimbursement from the EUTF. Members who pay an income-related monthly adjusted amount have up to two (2) years to submit a copy of their SSA letter or invoice in order to receive the income adjustments above the standard premium. If the EUTF reimburses you an amount which is more than what you are paying, you will be subject to collection of the overpayment and it may affect future reimbursements.

## EUTF or HSTA VB Medicare Prescription Drug Plans (Administered by SilverScript) – Medicare Part D Vaccinations

Great news for Medicare prescription drug plan members! **Effective November 1, 2018**, Medicare Part D vaccinations (e.g. for Hepatitis A & B; shingles; measles, mumps and rubella; tetanus and diphtheria) are 100 percent covered under the EUTF and HSTA VB Medicare prescription drug plans (administered by SilverScript). **This means that you are no longer required to pay a copayment for your Medicare Part D vaccinations at the pharmacy.**

However, the process is different if you receive your Medicare Part D vaccination at your physician's office. First ask your physician if he/she will submit a claim for the full cost of the vaccination, including the administration fee, to SilverScript (SSI) on your behalf. If yes,



# 2019 Pension Payment Schedule & Notices

**Payment Date:** Pension payments are paid on the 15th and/or the end of the month. If any of these dates fall on a weekend or a holiday, the payment date will be the last business day prior to the weekend or holiday.

**RETIRED MEMBERS**

## Pre-Retirement Health Benefits Workshops

EUTF continues to conduct pre-retirement health benefits workshops. Employees may register for a workshop by emailing [eutf.outreach@hawaii.gov](mailto:eutf.outreach@hawaii.gov). Space is limited and on a first come, first served basis.

**FOR ACTIVE MEMBERS**

Employees must use their own time (e.g., lunch or vacation) to attend.

**Topics covered will include:**

- **Dependent Eligibility**
- **Medicare**
- **Premiums and Contributions**
- **Health Plan Options**
- **Completing the EC-2 Enrollment Form**
- **Making Changes to Your Plans**
- **Differences between active employee and retiree plans**

DATE	ISLAND	LOCATION	TIME
01/15/19	Oahu	EUTF Office	11am-12pm, 12:30-1:30pm
01/23/19	All	Webinar*	11am-12pm, 12:30-1:30pm
02/21/19	Oahu	EUTF Office	11am-12pm, 12:30-1:30pm
02/26/19	All	Webinar*	11am-12pm, 12:30-1:30pm

\*To access the webinar, go to [eutf.hawaii.gov](http://eutf.hawaii.gov) and select "Learning Center" in the menu bar. Click on "Webinars" and select the desired webinar.

SSI will reimburse your physician directly and you should not have to pay anything. If your physician cannot submit a claim to SSI on your behalf, you will be charged the full cost of the vaccination, including the administration fee. To receive a 100 percent reimbursement from SSI, complete and submit a claim form (which you can download from [eutf.silverscript.com/Documents.aspx](http://eutf.silverscript.com/Documents.aspx)) along with your invoice to SSI, within 12 months from the date of service. On the claim form, check "no", the medicine is not covered under any other insurance.

If you have any questions regarding coverage of Medicare Part D vaccinations, contact SilverScript (toll free 1-877-878-5715)

## HSTA VB HMSA Retiree Plans Effective January 1, 2019

The following enhancements will be made to the HSTA VB HMSA retiree plans:

- Dr. Ornish's Program for Reversing Heart Disease will be covered at HMSA participating providers (limited to one program per lifetime).
- Supportive care will be covered at HMSA participating providers (limited to 90 calendar days in a 12-month period).

If you have any questions regarding the benefits above, contact HMSA (948-6499 on Oahu or toll free 1-800-776-4672).

15TH	END OF MONTH
January 15	January 31
February 15	February 28
March 15	March 29
April 15	April 30
May 15	May 31
June 14	June 28
July 15	July 31
August 15	August 30
September 13	September 30
October 15	October 31
November 15	November 29
December 13	December 31

## Federal Income Tax Withholding:

Payments from the ERS are subject to federal income tax withholding unless you elect to not have taxes withheld. You may change your withholding election by completing IRS Form W-4P, Withholding Certificate for Pension or Annuity Payments, prior to a payroll processing date. Refer to the tax withholding tables for the approximate federal income taxes to be withheld.

## Direct Deposit:

Complete Form ERS-210, Direct Deposit Agreement, to change the bank account and/or financial institution for your direct deposit. Please keep your original account open until the first ERS deposit is made to the new account. Closing your old account too early will delay the timely receipt of a pension payment, as undeposited payments will be returned to the ERS for reissue.

## Mailing Address:

Complete Form ERS-211, Mailing Address Change, to update your address to ensure you receive Form 1099-R tax statements, annual July pension statements, quarterly Holomua newsletters, and ERS correspondence.

## 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](mailto: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

#### Kanoë Margol

Deputy Executive Director

#### Elizabeth T. Burton

Chief Investment Officer

#### 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](mailto:eutf@hawaii.gov)

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

WINTER 2018

**HOLOMUA**  
RETIREES & ACTIVE MEMBERS

## Ask ERS

### Answers to some frequently asked questions:

**Q: I am an ERS active member and would like to get information on my years of service and contributions. The Member Information link on your website takes me to a login screen and asks me to log in with my "eHawaii" account. What is an eHawaii account?**

*A: Thank you for accessing your member information through our website. Your "eHawaii" account is merely a secure way to open your ERS information page. If you have not logged in through the ERS Member Information system before, it's very simple. You will need to decide on an email address you currently use (e.g., gmail, yahoo, hotmail, outlook, etc.), and develop your own password. The "Don't have an account? Sign Up" link will walk you through the steps of setting up your eHawaii account. Once this initial login set up is completed, you will be directed through "eHawaii.gov" to the ERS website page where your ERS member information is available. As an active member, you will be able to view the most current posted information about your membership plan, membership date, service credit and, if you are a Contributory or Hybrid plan member, your contribution account balance.*

**Q: When my husband retired, I was named as his joint-survivor beneficiary to receive 100 percent of his pension for the rest of my life. Since we have a joint bank account, will his ERS pension payments continue to be deposited to this account for me after his death?**

*A: Immediately upon the death of a pensioner or beneficiary receiving benefits, the ERS must be notified so that benefits will not be overpaid. Although as a survivor beneficiary, you may be entitled to receive the same amount your husband was receiving as a pensioner, you will need to file a claim for this beneficiary benefit. Upon filing a claim for the beneficiary benefit, with all of the supporting documents (e.g., death certificate, direct deposit form, tax withholding certificate, etc.), we will process your beneficiary benefit directly to you. Having a bank account with an ERS pensioner does not entitle any joint account holder to continue receiving a deceased pensioner's ERS benefit. A retiree's pension is payable only until the end of the month of the retiree's passing; all subsequent overpayments must be returned to the ERS.*