

Kilauea Lighthouse,
island of Kauai

HOLOMUA

RETIREES & ACTIVE MEMBERS

WINTER 2020

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Employees' Retirement System
of the State of Hawaii

ERS operations continue during COVID-19

During Gov. David Ige's emergency proclamation for the COVID-19 pandemic, the Employees' Retirement System (ERS) will accept copies of proof-of-age documents of members and beneficiaries. Previously only original documents were accepted.

Mailed documentation is the preferred method of submittal and delivery to accommodate social distancing requirements.

The ERS also added "Real ID" credentials (e.g., driver's licenses with "Gold Star" emblems or state identification certificates) as primary proof documents to verify the birth dates of the member or beneficiary. In addition, if a primary proof document is not available, a birth registration card or a passport card may serve as one of two acceptable secondary proof documents. A list of documents is included in the Retirement Application Packet at the ERS website: <https://ers.hawaii.gov/wp-content/uploads/2020/12/Application-Packet-2020-11-18-R2.pdf>.

Mailed forms requiring notarized signatures will still need to be notarized unless submitted in-office and authorized by an ERS employee.

The ERS offices remain open, and we are limiting entry to our reception areas to protect visitors and staff. The ERS wants to continue to provide the customer service needed for our membership. Visitors will need to complete a COVID-19 survey and be scanned for a temperature check prior to entering the reception area. Counseling services are being done by phone, including for members who filed a retirement application and received an estimate letter (pension projections).

The ERS website, <https://ers.hawaii.gov>, includes information for members and retirees and forms for downloading. Information and forms can also be requested to be mailed by calling 808-586-1735 or by emailing dbf.ers.sss@hawaii.gov. Many completed forms also can be submitted by mail. When submitting forms (e.g., retirement application, death claim), be sure to complete all required information.



The ERS office in Honolulu has taken safety precautions during the COVID-19 pandemic, including a temperature reader for staff and visitors.

WORKING TO FULFILL YOUR RETIREMENT DREAMS



Message from the Executive Director Positioned To Meet Future Success

We have successfully implemented every protective practice available to us, including reconfiguration of existing reception and office spaces. Our necessary expansion into adjacent space supported enhanced workplace safety and social distancing measures.

I believe that our responsiveness to the immediate and recent challenges has better positioned us, both operationally and mentally, for future success. We have increased our remote work, disaster recovery and business continuity capabilities. A new phone system in combination with enhancements to our financial reporting and administrative systems will improve our operational effectiveness. And, the \$1.5 billion-plus

that we inject into the state's economy this year will prove not only to be foundational in sustaining our overall economy during this economic downturn but serve as a bridge to our economic future.

We have learned from recent experiences and are inspired to meet the challenges ahead.

Mahalo,

Thomas Williams

Kahu Kordell Kekoa, left, with ERS Executive Director Thomas Williams, blessed the ERS's administration and investment offices at the City Financial Tower in October.

As we approach the end of the year, I am literally amazed at the number and intensity of unforeseen events impacting our personal and professional lives over these many months. Having survived until now, it might seem that a collective sigh of relief may be appropriate. The year 2020 with its healthcare, economic and political challenges is coming to an end! Although exhausting at times, I am personally energized by the prospects ahead. I am excited and encouraged by how well the ERS has fared during what is widely considered an unprecedented series of events and challenges.

Multiple dramatic market swings at the end of last year and continuing into the present created a "thrill ride" that only adherence to our long-term strategic asset allocation and investment discipline enabled us to not only endure but to exit on the upswing, at least at the time of this writing.

COVID-19's emergence on the global stage has upended all of our daily routines and expectations. New stringent healthcare regimes, remote work, mask wearing, limited social interactions, lockdowns, business closures and travel limitations – unimagined mere months ago – are now viewed as likely aspects of our "new normal," at least for the foreseeable future.

The economic and social turmoil caused by business closures, job losses and human tragedy have exposed a certain sense of strength, determination, persistence and resiliency in our neighbors, fellow citizens and ourselves. Organizationally, the ERS and its staff have responded to every challenge. We have adapted work schedules and processes to protect our membership and workforce while continuing to deliver on our service commitment.



ERS investment portfolio: Public Growth

Last month we introduced the ERS's Real Asset portfolio. This month, we thought it prudent to introduce our Public Growth portfolio given the recent volatility in public markets around COVID-19 and the elections. Anthony Goo, who wrote this issue's column, is the ERS investment officer who manages the coordination and oversight of the Public Growth portfolio. Goo worked in various investment roles at local financial institutions before joining ERS in 2014.

What is Public Growth?

Public Growth consists of relatively liquid, risk-taking assets or strategies that produce high total returns relative to other asset classes. Examples of Public Growth investments include what you think about when considering the S&P 500 or publicly traded stocks, but also can include low volatility strategies or strategies employing options on publicly traded equities. Public Growth assets are primarily driven by economic growth risk (primarily, U.S. economic growth risk) and are often linked closely to broad corporate profitability and overall economic success/failure.

As evidenced in 2020, this close relationship with the U.S. and global economy can result in high levels of return volatility. While in the short term the public markets can exhibit a wide range of returns, Public Growth assets for the long term can result in significant increase in purchasing power and wealth. Shared characteristics of Public Growth assets include relatively high returns (over the long term), relatively high volatility and relatively high liquidity. This liquidity is an important part of our portfolio as it provides us optionality that counterbalances our

allocations to long-lived assets such as private equity or private real estate.

Public Growth investments can be actively or passively managed. Passively managed portfolios are utilized to capture market returns while actively managed portfolios are expected to add value over passive implementations. At ERS, we invest in both active and passive, prioritizing active investment where we believe we can add value and achieve excess returns.

Why is Public Growth necessary in the ERS portfolio?

Growth-oriented assets are the primary return drivers of the ERS portfolio and can provide appreciation and income over the long term. The ERS investment staff is focused on: (1) achieving a long-term average return of 7 percent in order to fund the portfolio's long-term liabilities; and (2) staying on the path toward the plan becoming fully funded by fiscal year 2045. Growth-related investments are a necessity for the portfolio to achieve its expected return and keep progressing on the funding path. The portfolio's growth assets are combined with diversifying strategies to balance the portfolio's risk-return trade-off.

ERS's Public Growth Portfolio

Public Growth assets currently comprise approximately \$10.1 billion, or 56.2 percent, of the ERS's total portfolio. The long-term target allocation to Public Growth is 34.0 percent, which we expect to achieve in 2022. For the next couple of years, Public Growth assets will be used to fund other asset classes that have potential to achieve high returns with less volatility. Within Public Growth are three strategic components that each consist of a wide,

and evolving, range of potential strategies.

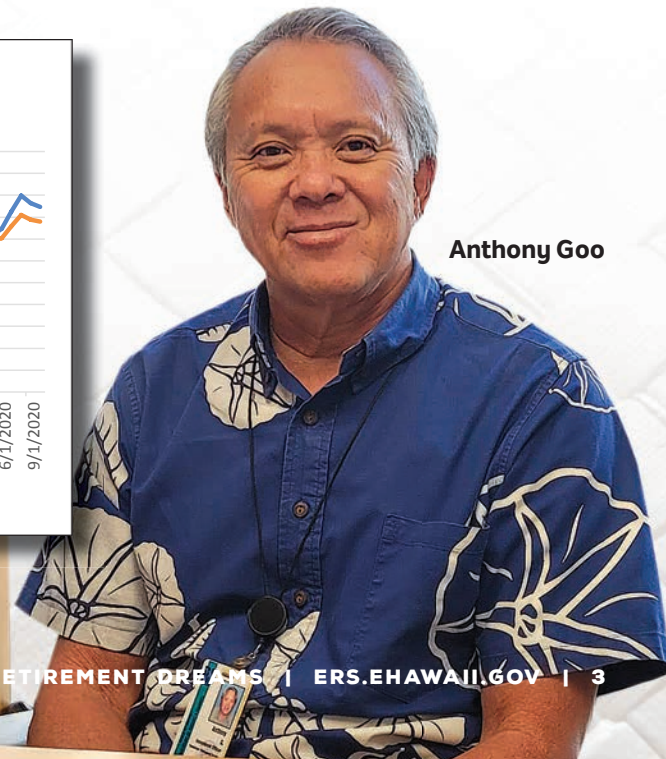
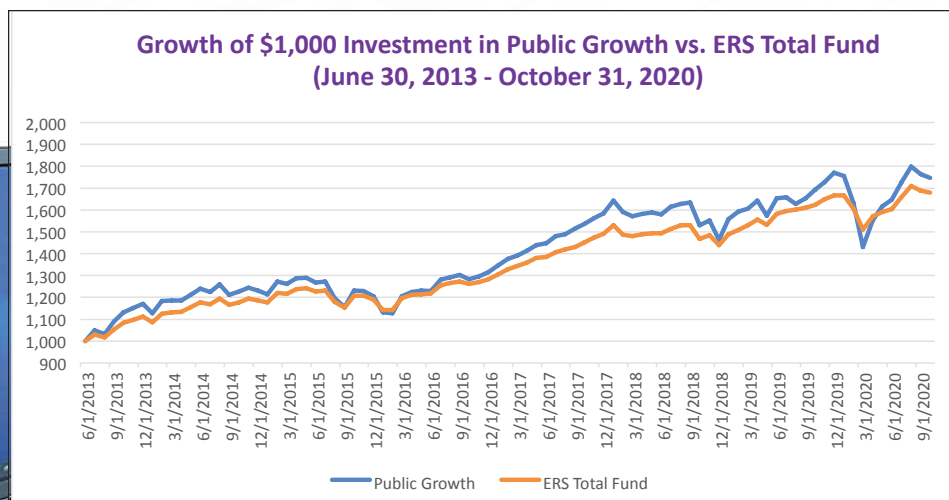
Traditional Equity is the largest component of the portfolio. The ERS currently utilizes five active and two passive traditional global equity managers in its Traditional Equity component.

The second largest component of the Public Growth portfolio is Stabilized Equity. Stabilized Equity consists of a spectrum of growth-exposed investment strategies that exhibit expected returns close to Traditional Equity investments but with lower levels of return volatility. Currently, the ERS's Stabilized Equity portfolio consists of four options-based strategies and two low volatility equity strategies.

The third component of the Public Growth portfolio is Global Credit. Such investments typically contain relatively lower levels of risk and exhibit lower volatility than the equity components of Public Growth; however, they maintain exposure to growth-related characteristics and provide periodic income. The ERS's Global Credit portfolio contains five global credit managers with a variety of styles that include contingent credit, diversified liquid corporate credit, tactical credit, and extended global credit.

The graph below illustrates the growth of the Public Growth component relative to the total ERS Fund for the last seven years.

Public Growth assets provide high total returns relative to other asset classes. The trade off for higher returns is greater volatility or risk relative to lower performing asset classes. A healthy exposure to Public Growth assets is needed to achieve our long-term return target.



Anthony Goo

Kaneshiro's tireless service spans 41 years

Helping people has always been a strong motivator for Karl Kaneshiro, Retirement Benefits Manager, and that drive is still going strong after 41 years of state government service. Since joining the Employees' Retirement System staff in 1984, Kaneshiro has witnessed changes in its membership and the number and details of the government retirement plans the ERS administers.

"Our members are more aware of their benefit plans, and they're asking more questions, which is a great thing because the plans can be complex," said Kaneshiro. "There are many factors that must be taken into account to arrive at a retirement pension amount, such as length of employment, breaks in employment, and unused sick leave. And years ago, there used to be a single plan. Today, we have three plans and two tiers. So it's different for different employees, whether you work for the state, county or the University of Hawaii.

"Retroactive pay is also something to keep in mind if you're trying to follow along with our pension calculations. It may be a routine matter for payroll and personnel, because they pay you and they're done. But for the ERS, we have to apply that payment to the time period in which you earned it, not when you received it. So it's a huge challenge for us to gather all the information necessary to address these various factors. Ultimately, our retirement benefit computations are only as good and as timely as the information we



Karl Kaneshiro

get from the personnel office in each department. So it's a shared responsibility.

"The ERS also has the responsibility of determining your retirement payments. We shouldn't pay out any more or any less than the amount that is due to you. It's our job to be accurate. Sometimes that can take longer than we, pensioners or beneficiaries find acceptable, especially in death situations where a family's two incomes fall to one. However, we ask for and greatly appreciate your patience while we make certain we are providing you with an accurate benefit amount."

Kaneshiro joined the ERS staff as a retirement claims examiner and assistant to the

supervisor of an 11-employee section. He was promoted to his present position in 1988 and also served as interim deputy executive director in 2015 prior to the arrival of Executive Director Thomas Williams. Today, he oversees about 50 branch employees including six staff on the Neighbor Islands.

Kaneshiro came to the ERS with solid claims processing experience after serving as an unemployment insurance specialist with the Department of Labor and Industrial Relations. But perhaps of even greater consequence to his work at the ERS are his experiences as a human resources advisor with the Hawaii Air National Guard and his initial entry into public service as a secondary school teacher for the Department of Education.

Taking charge, leading and nurturing the development of others have marked his exemplary work career. Kaneshiro said he is thankful for his dedicated staff today and throughout his years at the ERS.

"As a manager, I emphasize that we are here for the members. That's our job," said Kaneshiro. "We look for workers who understand that our members come first. Helping our staff develop and seeing them develop are what's important to me."

As for developing his retirement plan? That's something Kaneshiro is still in the process of calculating. There's still much work to do, staff to train and members to serve.

2021 Pension Payment Schedule and Notices

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 original 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: Contact our office or 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.

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.

15th	End of Month
Jan. 15	Jan. 29
Feb. 12	Feb. 26
March 15	March 31
April 15	April 30
May 14	May 28
June 15	June 30
July 15	July 30
Aug. 13	Aug. 31
Sept. 15	Sept. 30
Oct. 15	Oct. 29
Nov. 15	Nov. 30
Dec. 15	Dec. 31

Year-end tax information for ERS benefits

If you received benefits from the ERS during 2020, your 2020 Form 1099-R will be mailed to your home address by January 31, 2021. Reprint/duplicate Form 1099-R requests will only be processed after February 5, 2021 to allow time for mail delivery. To submit an address change, contact our office or complete the Mailing Address Change form on our website at <http://ers.ehawaii.gov> (Resources>All Forms>General>ERS-211 Address Change).

The ERS is a “government defined benefit pension plan,” therefore all benefits paid by the ERS are classified as “pension” benefits and reported to you on the Internal Revenue Service (IRS) Form 1099-R. For terminated members, this benefit includes refund of contributions; and for retirees, this includes option refund payments and disability benefits. (Certain retirees receiving service-connected disability benefits will receive the Annual Non-reportable Benefit Notice.) If you have a professional tax advisor, accountant, and/or tax preparer, we suggest that you 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:

- took a refund option with a rollover to another retirement account;
- became age 59½ during 2020; or
- 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, or 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 2020 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 2020 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 2020.

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,

Form 1099-R		CORRECTED (if checked)		OMB No. 1545-0119		2020	
1 Gross Distribution		2a Taxable Amount		Distributions From Pensions, Annuities, Retirement or Profit-sharing Plans, IRAs, Insurance Contracts, etc.			
25000.00		20000.00					
2b Taxable Amount not determined		Total distribution					
PAYER'S name, street address, city, state and ZIP code							
EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF HAWAII							
201 MERCHANT ST SUITE 1400							
HONOLULU, HI 96813-2980							
PAYER'S federal identification number				RECIPIENT'S identification number			
99-6011493				XXX-XX-1234			
3 Capital gain (included in box 2a)		4 Federal income tax withheld		5 Employee contributions /Designated Roth contributions or insurance premiums			
0.00		3000.00		5000.00			
6 Net unrealized appreciation in employer's securities		7 Distribution code(s)		IRA/ SEP/ SIMPLE		8 Other %	
		7					
9a Your percentage of total distribution		9b Total employee contributions		10 Amount allocable to IRR within 5 years			
%		75000.00					
RECIPIENT'S name, street address (including apt. no), city, state and ZIP code							
PENSIONER							
ADDRESS							
Account number (see instructions)		Date of Payment		11 1st year of design. Roth contrib.		FATCA filing requirement	
2020123456							
12 State tax withheld		13 State/Payer's state no		14 State distribution			
		HI-0					
15 Local tax withheld		16 Name of locality		17 Local distribution			
<small>Copy B Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return. This information is being furnished to the Internal Revenue Service.</small>							
						<small>www.irs.gov/Form1099R Department of the Treasury Internal Revenue Service</small>	

under age 59½). (Note certain distributions may be subject to an additional 10% 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.

Online Information Update

The ERS has updated its website with member information through October 2020. 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.

FOR
RETIREES**Attention Medicare Retirees: Medicare Part B Premium Reimbursements for 2021**

For 2021, Medicare is once again charging different Medicare Part B premiums. The new standard is \$148.50 per month. Please determine which of the following categories you fall into and your next steps:

1. Your and/or your spouse's (collectively, "your") **2020** Medicare Part B premium reimbursement (Reimbursement) from the EUTF was individually less than \$144.60 per month or \$433.80 per quarter.

The EUTF will not change your 2021 Reimbursement to the 2021 standard amount.

You must submit a copy of your 2021 Social Security Administration (SSA) letter indicating your Medicare Part B premium to receive the correct Reimbursement; otherwise, your 2020 Reimbursement will continue into 2021.

2. Your **2020** Reimbursement from the EUTF was equal to or greater than \$144.60 per month or \$433.80 per quarter.

The EUTF will automatically adjust your 2021 Reimbursement to the 2021 standard amount of \$148.50 per month.

You do not have to do anything, unless your 2021 Medicare Part B premium is greater than \$148.50 per month. If this is the case, you must provide EUTF with a copy of your SSA letter or Centers for Medicare and Medicaid Services (CMS) invoice indicating the higher Medicare Part B premium to receive the correct 2021 Reimbursement. Members who pay an income-related monthly adjusted amount have up to two years to submit a copy of their SSA letters or CMS invoices to receive proper Reimbursement.

If you need to send in a copy of your SSA letter or CMS invoice, please mail to EUTF, 201 Merchant Street Suite 1700, Honolulu, Hawaii 96813 or fax it to 808-586-2161. Please only submit the page(s), unstapled and not clipped, showing your name and the monthly or annual 2021 Medicare Part B premium amount.

If the EUTF reimburses you an amount that is more than what you are paying, you will be subject to collection of the overpayment and it may affect future Medicare Part B Reimbursements.

FOR ACTIVE
EMPLOYEES
& RETIREES**COVID-19 Medical Coverage**

The following COVID-19 related benefits are covered under the medical plans:

HMSA members:

- COVID-19 diagnostic testing services are 100% covered effective March 1, 2020 through the end of the national public health emergency (PHE) (currently through January 20, 2021). Physician referral is required.
- COVID-19 testing for asymptomatic patients prior to elective surgery when rendered by a participating provider are 100% covered effective April 1, 2020-March 31, 2021.
- COVID-19 treatment services are 100% covered effective March 1-December 31, 2020 and at standard plan benefits thereafter.
- Telehealth services, including services not related to COVID-19, are 100% covered effective March 1-December 31, 2020 and at standard plan benefits thereafter.
- COVID-19 vaccination covered at 100%.

If you have questions, visit hmsa.com/eutf or call HMSA at 948-6499 (Oahu) or toll free 1-800-776-4672 (Neighbor Islands). TTY, dial 711.

Kaiser Permanente members:

- COVID-19 diagnostic testing services are 100% covered effective March 5, 2020 through the end of the national PHE (currently through January 20, 2021).

- COVID-19 testing prior to surgery or hospital admission is 100% covered effective June 1, 2020 through the end of the national PHE.
- Pre-travel COVID-19 testing is 100% covered effective October 15, 2020 through the end of the national PHE.
- COVID-19 treatment services are 100% covered effective April 1-December 31, 2020. (Kaiser Permanente is determining whether to continue the 100% coverage or to cover at standard benefits.)
- COVID-19 vaccination covered at 100%.

If you have questions, visit kp.org/coronavirus or call Kaiser Permanente at 432-5250 (Oahu) or toll free 1-844-276-6628 (Neighbor Islands).

Humana members (new plan effective January 1, 2021):

- COVID-19 diagnostic testing services, including pre- and post-travel testing, treatment and telehealth services are 100% covered through December 31, 2021.
- COVID-19 vaccination covered at 100%.

If you have any questions, visit our.humana.com/eutf or call Humana toll free at 1-888-908-6518.

Save with Generics

Switching to generic medications can help you save all year long. Generics are not of lesser quality. 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. Download the CVS Caremark or Kaiser Permanente app and search the generics for your brand name drug. Then, consult with your doctor or pharmacist on whether a generic is a good option for you.

If you have questions, contact CVS toll free at 1-855-801-8263, SilverScript toll free at 1-877-878-5715, or Kaiser Permanente Pharmacy at 808-643-7979.

Submission of Documents

If you submit an enrollment form and/or supporting documents to the EUTF, related to a mid-year qualifying event, and do not receive a confirmation notice in the mail of your changes within 30 days, please contact the EUTF Monday through Friday, 7:45 a.m. to 4:30 p.m., at **808-586-7390 ext. 2** (Oahu) or **1-800-295-0089 ext. 2** (Neighbor Islands).

Confirmation notices are not mailed for Medicare Part B reimbursement amounts. Please check your quarterly reimbursement amount to confirm that you are receiving the correct amount.

HMSA Mental Health Resources

Navigating this new normal can be stressful and challenging. Feelings of anxiety, hopelessness, sadness and fear can arise, but know that you don't have to go through this alone. We're here to help. HMSA offers a behavioral health program that provides referrals to behavioral health professionals, resources, services and more. To learn more, visit <https://hmsa.com/help-center/coronavirus-mental-health-resources/> or call Beacon Health Options at 695-7700 (Oahu) or toll-free 1-855-856-0578.

For more health and well-being resources, visit hmsa.com/eutf and click on Member Resources. You'll find information on preventive care, health improvement programs, health education workshops, health coaching, and discounts on health-related products and services that you can use to improve your overall health.

Kaiser Permanente – Stress Management, Emotional and Behavioral Health Resources

The COVID-19 pandemic and its impact to our economy, employment and finances may have negatively affected people's mental health

and created new complications for people already struggling with mental illness and substance use disorders.

Based on a Kaiser Family Foundation poll, 53 percent of adults in the United States reported that their mental health has been negatively impacted due to worry and stress over the virus.¹ Since the start of the outbreak, the pandemic has contributed to social isolation as people are fearful of themselves or loved ones falling ill and are uncertain of the repercussions of the pandemic.

As the pandemic continues to affect all of us, access to behavioral health care is more important than ever. We're committed to making sure our members have access to the mental health care and wellness resources they need, when and where they need them.

We offer a wide array of services and resources to support the prevention and treatment of mental and behavioral health conditions through counseling, medication evaluations, medication management and more. Accessing a mental health care provider is easy, and no referrals by a primary physician are required.

To access our mental health and addiction medicine services, call a mental health specialist or visit kp.org. To schedule an appointment, call us Monday through Friday, 8 a.m. to 5 p.m., at **808-432-7600** (Oahu) or **1-888-945-7600** (Neighbor Islands). For medical and mental health care advice and guidance, talk with a licensed care provider day or night. Call us 24/7 at:

Oahu: **808-432-2000**

Maui/Molokai/Lanai: **808-243-6000**

Hawaii Island: **808-334-4400**

Kauai: **808-246-5600**

TTY: **711**

¹ Kaiser Family Foundation: The Implications of COVID-19 for Mental Health and Substance Use: Aug 2020 <https://www.kff.org/coronavirus-covid-19/issue-brief/the-implications-of-covid-19-for-mental-health-and-substance-use/>

FOR ACTIVE EMPLOYEES

Pre-Retirement Health Benefits Webinars

Attend a Pre-Retirement Health Benefits Webinar and learn about the EUTF retiree health insurance benefits. It's never too early to start planning for your future. Whether you plan to retire in a few months or a few years, join us for a 60-minute presentation to learn about your EUTF retiree health insurance benefits. We'll cover:

- Dependent eligibility
- Health plan options
- Medicare
- Differences between active employees and retiree plan
- Completing the EC-2 enrollment form
- Premiums and contributions
- Making changes to your plans

Webinar Schedule

Date	Time
1/7/2021	10:00-11:00 am, 11:30-12:30 pm
1/26/2021	
2/9/2021	
2/17/2021	
3/3/2021	

To access the webinar, go to eutf.hawaii.gov on the day of the event and select "Learning Center" in the menu bar. Click the "Webinar" tab and select the desired webinar. Registration is not required.

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

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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/Medicare
reimbursements**

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

(808) 586-7390;

Toll-free: 1 (800) 295-0089

email at eutf@hawaii.gov,
or mail: 201 Merchant Street,
Suite 1700

Honolulu, HI 96813

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WINTER 2020

HOLOMUA
RETIRES & ACTIVE MEMBERS

Ask ERS

Answers to some frequently asked questions

Q: Am I eligible for a "pop up" of my retirement payment if my beneficiary passes away before I do?

A: An increase in benefit to a retiree after a beneficiary dies, also referred to as a "pop-up," applies to members who retired after Nov. 30, 2004 and chose an option that provided for a continuing monthly benefit for a beneficiary. After a beneficiary dies, a new beneficiary cannot be named. In the month following the beneficiary's death, the retiree's payment will be adjusted to the maximum allowance, including the post-retirement increase. The pop-up adjustment is paid upon notification of death and submission of a certified copy of the death certificate and can only be paid six months retroactively from the date of the beneficiary's death.

Q: Do any provisions in the CARES Act (Coronavirus Aid, Relief, and Economic Security Act) apply to refund payments from the Employees' Retirement System?

A: ~~None of the provisions in the CARES Act apply to distributions by the ERS. A refund payment for a terminated member that is not rolled over is subject to a 10 percent additional income tax on early distribution for those under age 59½ unless an exemption applies. More information is in the ERS Notice 402(f) Special Tax Notice Regarding Rollover Options on the ERS website: <https://ers.ehawaii.gov/wp-content/uploads/2020/10/ERS-402f-Notice-revised-August-2020.pdf>.~~

See next page for correction.

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As of March 2019, the Employees' Retirement System was paying service retirement benefits to 1,849 retirees over the age of 90, including 44 over the age of 100, according to the ERS Comprehensive Annual Financial Report (2019).

The following is a correction and clarification to a question in Ask ERS in the Winter 2020 edition of Holomua.

Q: How does the CARES Act apply to distributions from the ERS?

A: Because the ERS is a defined benefit pension plan, the CARES Act did not permit the ERS to make special distributions (or withdrawals) available to ERS members while they were employed. See IRS Notice 2020-50 (first full paragraph on page 8). However, retirees and members who received normal distributions in 2020 and were adversely affected by COVID-19 may be eligible to elect favorable tax treatment (e.g., inclusion in income over 3 years and no 10% penalty tax for early distributions) when they file their individual income tax returns for 2020. Please refer to IRS Form 8915-E and your personal tax advisor/preparer.

2020-02-12