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**STATE OF HAWAII**  
**EMPLOYEES' RETIREMENT SYSTEM**

July 1, 2022

To: State and County Personnel and Payroll Officers

From: Thomas Williams, Executive Director  
Employees' Retirement System 

Subject: Tentative Collective Bargaining Agreement Payments

In anticipation of tentative collective bargaining agreements being approved, the Employees' Retirement System (ERS) would like to provide guidance to personnel and payroll officers as to how pay increases should be reported to the ERS for compensation purposes.

In anticipation of the tentative agreements being adopted, lump sum payments and retroactive salary increases should be reported as follows:

1. Lump sum payments are one-time payments that are either based on a fixed amount or percentage of salary. These are additional or extra payments that are reportable for Tier 1 members (membership prior to 7/1/2012) and not reportable for Tier 2 members (membership after 6/30/2012). Contributions should be deducted for Tier 1 Contributory and Hybrid plan members only.
2. Retroactive salary increases are reportable for Tier 1 members. For Tier 2 members, only retroactive base pay, retroactive shortage differential pay, and retroactive 12-month differential pay (for Department of Education only) is reportable. Retroactive pay types other than enumerated are not reportable for Tier 2 members. All retroactive salary payments should be reported to ERS electronically. If your payroll reporting system is unable to provide the information electronically, please complete the Payroll Information Template available on the ERS website at <https://ers.ehawaii.gov/employers/forms>. You will find detailed instructions on completing the spreadsheet and instructions for the secure transmittal of the file to the ERS. Requests for alternate arrangements to report the retroactive payments will be handled on a case-by-case basis.

Should you have any questions regarding ERS work report and payroll template processing, please contact our Employer Team at [dbfers.eemployerteam@hawaii.gov](mailto:dbfers.eemployerteam@hawaii.gov) for assistance.

Thank you in advance for your cooperation.



Employees' Retirement System  
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