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STATE OF HAWAII EMPLOYEES' RETIREMENT SYSTEM

October 23, 2023

TO: State and County Directors State and County Personnel and Payroll Officers

FROM: Thomas Williams, Executive Director Employees' Retirement System

SUBJECT: Act 46 (Session Laws of Hawaii 2023)

Act 46 was passed by the Legislature and signed into law on June 1, 2023 (http://www.capitol.hawaii.gov/sessions/session2023/bills/GM1146_.PDF). The Act establishes new ERS criteria for the review and approval of requests to certify ERS membership service and compensation based on a final resolution of claims between an employee and employer related to a retroactive reinstatement of employment or a recission of suspension provided pursuant to a final resolution of claims between an employer. Prior to Act 46, applicable law did not provide for ERS membership service and compensation based on such settlements.

The ERS is in the process of establishing certification procedures and an application form for the required review of Act 46 settlements. You will be notified once the ERS establishes procedures and an application form implementing Act 46 is available, which is expected by the end of the year.

Until the procedures and application form are established, the ERS is requesting that no final resolution of claims, personnel or payroll documents or contributions related to a settlement subject to Act 46 be transmitted to the ERS.

Retroactive payments to employees that are <u>not</u> a part of a retroactive reinstatement or a retroactive rescission of suspension provided pursuant to a final resolution of claims between an employee and employer, are not subject to Act 46 and should continue to be reported following the usual reporting requirements of §88-21.5, HRS and § 88-103.7 accordingly.

If you have any questions, contact Program Specialists Bart Asato or James Greubel at <u>dbf.ers.admin.programspecialist@hawaii.gov.</u>



Employees' Retirement System of the State of Hawall

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