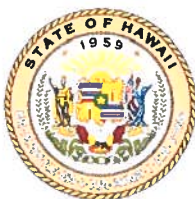


JOSH GREEN M.D.  
GOVERNOR




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DEPUTY EXECUTIVE DIRECTOR

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

October 31, 2023

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

FROM: Thomas Williams, Executive Director  
Employees' Retirement System 

SUBJECT: Employer Reporting Requirements and Criteria for Compliance with Act 87, SLH 2015 for the July 1, 2024 to June 30, 2025 Compliance Review and Evaluation Period

In order to assist employers in their compliance efforts, the Employees' Retirement System (ERS) has identified certain baseline reporting requirements from those previously provided. See Baseline Personnel Employer Reporting Requirements ("Attachment A") and the Baseline Payroll Employer Reporting Requirements ("Attachment B"). Please note that these baseline requirements are not new reporting requirements; they were previously outlined in the ERS' November 16, 2022 memorandum. These baseline reporting requirements will be used during the July 1, 2024 to June 30, 2025 Compliance Review and Evaluation Period to evaluate employers' compliance for avoidance of penalty under Act 87, Session Laws of Hawaii 2015.

Should you have employer reporting questions, please contact the following:

General Employer Reporting: Shanna Sakagawa, Program Specialist, at (808) 586-1791 or email the Employer Team at [dbf.ers.eemployerteam@hawaii.gov](mailto:dbf.ers.eemployerteam@hawaii.gov)

Personnel Interface Files and Class Code Reports: Norinne Jong, Membership Supervisor, at (808) 586-2345 or email at [Norinne.Jong@hawaii.gov](mailto:Norinne.Jong@hawaii.gov)

Payroll Files: Jennifer Tanaka, Disbursement Supervisor, at (808) 586-1753 or email at [Jennifer.Tanaka@hawaii.gov](mailto:Jennifer.Tanaka@hawaii.gov)

We appreciate your ongoing cooperation in working with us to achieve the shared goal of accurate reporting of payroll and personnel information.

Attachments



Employees' Retirement System  
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**ATTACHMENT A – BASELINE PERSONNEL EMPLOYER REPORTING REQUIREMENTS**

(Compliance with these baseline requirements will be evaluated during the July 1, 2024 to June 30, 2025 Compliance Review and Evaluation Period)

Personnel Reporting	Objective(s)	Personnel Employer Reporting Requirements
<p>Class Code Reporting (CCR)</p> <p>Employers must obtain an ERS Class Code for all ERS-eligible new and returning employees to properly enroll or re-enroll employees timely using the Class Code Reporting (CCR) template.</p> <p>The CCR template can be found on the ERS website at: Employers » Employer Reporting » Personnel Reporting</p>	<p>The correct ERS Class Code ensures the proper deductions for retirement contributions are withheld from the employee's paycheck.</p>	<ol style="list-style-type: none"> <li>Employers shall report to the ERS all employees who are anticipated to be hired in an ERS-eligible position using the CCR template, including employees who change from an ineligible position to an ERS-eligible position.</li> <li>Employers shall submit the CCR template to the ERS a minimum of five (5) business days prior to the employee's first payroll processing to obtain ERS Class Codes via the secure Axway method.</li> <li>Employers shall use the Class Codes provided by the ERS for personnel reporting, payroll reporting, and enrollment.</li> <li>For all ERS-eligible new and returning employees, employers shall submit an ERS-1 Enrollment Form (containing the Class Code(s) provided by the ERS) and an ERS Form 1A Designation of Beneficiary form within thirty (30) days after the ERS-eligibility date.</li> </ol>
<p>Personnel Interface File (PIF)</p> <p>PIF transactions should be submitted with the fixed length text in the required format.</p> <p>The PIF Detail Record Layout can be found on the ERS website at: Employers » Employer Reporting » Personnel Reporting.</p>	<p>PIF transactions are used to determine and calculate ERS membership service benefits (e.g. death, refund, retirements).</p>	<ol style="list-style-type: none"> <li>Employers shall submit all PIF transactions via the 1500-character fixed length text file format.</li> <li>Employers shall ensure that all fields meet the required field length and field content.</li> <li>Employers shall map the Employer Nature of Action Codes (NOAC) to ERS action codes.</li> <li>Employers shall notify the ERS of any updates to their action codes within 30 days of the effective date of the code.</li> </ol>

**ATTACHMENT B – BASELINE PAYROLL EMPLOYER REPORTING REQUIREMENTS**

(Compliance with these baseline requirements will be evaluated during the July 1, 2024 to June 30, 2025 Compliance Review and Evaluation Period)

Payroll Reporting	Objective	Payroll Employer Reporting Requirements
<p>Payroll transactions should be submitted using the semi-monthly payroll transactions file.</p> <p>The Payroll Information Template will be accepted during this period to correctly report adjustments.</p> <p>The Payroll File Layout and Payroll Information Template can be found on the ERS website at: Employers » Employers Forms</p>	<p>Provide the required payroll transactions to ERS in the correct earning periods and pay fields and submit transactions in the correct submission format within the given time requirements.</p>	<ol style="list-style-type: none"> <li>1. <b>Submission Format</b> – Employers shall submit current semi-monthly payroll transactions using the 600-byte layout, version 2.</li> <li>2. <b>Submission Timing</b> – Employers shall submit semi-monthly files within five (5) business days after the report period end date.</li> <li>3. <b>Lump Sum Payments</b> – Employers shall report lump sum payments in the correct semi-monthly earning period(s) in which the payment(s) are earned.</li> <li>4. <b>Retroactive Salary Increases</b> – Employers shall report retroactive salary increases in the correct semi-monthly earning period(s) in which the payment(s) are earned.  Note: Retroactive salary increases associated with Act 46 (SLH 2023) require ERS certification before reporting.</li> <li>5. <b>Workers' Compensation</b> – Employers shall report workers' compensation payments in the correct semi-monthly earning period(s) in which the payment(s) are earned.</li> <li>6. <b>Pay Reported to Appropriate ERS Pay Fields and File Layout</b> – <ol style="list-style-type: none"> <li>a. Employers shall report pay in the appropriate pay field according to ERS-approved pay type list.</li> <li>b. Employers shall report pay in the appropriate pay field according to the Work Report Layout in the November 16, 2022 memo for:</li> </ol> </li> </ol>

Payroll Reporting	Objective	Payroll Employer Reporting Requirements
		<ul style="list-style-type: none"> <li>i. <b>100% Base Rate Pay</b> – 100% FTE semi-monthly ‘basic rate of pay’ amount.</li> <li>ii. <b>Regular Pay Amount</b> - Only normal periodic payments for money for service which accrues on a regular basis in proportion to the service performed, adjusted for leave without pay and FTE, should be reported in this field.</li> <li>iii. <b>Non-Basic Rate Pay Amount</b> - Only ERS-eligible compensation that is not part of base rate of pay and applicable to both Tier 1 and 2.</li> <li>iv. <b>Tier 1 Other Pay Amount</b> - Only ERS-eligible compensation applicable to Tier 1.</li> </ul> <p>7. <b>Overpayment Adjustment Reporting</b> – Employers shall report corrections to ERS-eligible compensation due to overpayment, including the correct earnings for the period for all applicable fields. In addition, if employer’s current handling of overpayment adjustments negatively impacts other periods, correction(s) to those periods shall be included in the report to the ERS.</p> <p>8. <b>Corrections Submission Timing</b> – Corrections for items #3 through #7 above shall be reported within sixty (60) days following submission of the initial file.</p> <p>Note: For items #3 through #7 above, the Payroll Information Template will be accepted during the period July 1, 2024 to June 30, 2025 to correctly report the above information.</p>