

MINUTES OF THE MEETING OF THE
LEGISLATIVE COMMITTEE OF THE
BOARD OF TRUSTEES OF THE
EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF HAWAII

APRIL 30, 2025

CITY FINANCIAL TOWER
201 MERCHANT STREET, SUITE 1200
HONOLULU, HAWAII 96813

Trustees present: Dr. Genevieve Ley, Chair
(by teleconference) Mr. Bennett Yap, Vice Chair
Mr. Lance Mizumoto

Trustee absent: Mr. David Louie

Staff present: Ms. Gail Strohl, Deputy Executive Director
(City Financial Tower Ms. Kristin Varela, Chief Investment Officer
by teleconference) Mr. James Greubel, Program Specialist
Ms. Shanna Sakagawa, Program Specialist
Ms. Dale Kehau Kanae, Recording Secretary/Administrative Assistant
Ms. Lori Kim, Administrative Assistant
Ms. Andrea Gasper, Administrative Assistant

Attorney present: Ms. Jenny Nakamoto, Deputy Attorney General
(by teleconference) Ms. Lori Tanigawa, Deputy Attorney General
Ms. Diane Wong, Deputy Attorney General

QUORUM/CALL TO ORDER

A quorum being present (Chair Ley, Vice Chair Yap, and Trustee Mizumoto), Chair Ley called the meeting of the Legislative Committee (Committee) of the Board of Trustees (Board) of the Employees' Retirement System of the State of Hawaii (ERS) to order at 1:04 p.m. and requested each Trustee identify themselves and confirm that they are the only ones present at their remote location while attending the meeting. Each of the Trustees present confirmed same. Chair Ley reminded the Committee to please be sure that they are visible on their video cameras and that they remain on while the meeting is in session.

PUBLIC COMMENT

Chair Ley called for public comment. There was no public attending in person or by teleconference, therefore, there was no public comment. There was also no written public testimony received for this Committee meeting.

UPDATE AND DISCUSS THE
2025 LEGISLATIVE BILLS
WHICH MAY IMPACT THE
EMPLOYEE'S RETIREMENT
SYSTEM, A LIST OF WHICH
IS ATTACHED HERETO AS
SCHEDULE A

Program Specialist (PS) James Greubel presented and discussed with the Committee the Legislative Bills which may impact the Employees' Retirement System for the 2025 Legislative Session and reviewed an updated list of ERS Initiated, Membership and Benefits Related, and Miscellaneous 2025 Legislative Bills, as well as ERS's positions on each Bill.

The update was provided for the Committee's information only and will also be provided to the Board at its next meeting. (An updated list presented, aside from what was distributed, are attached to these minutes for clarification.)

IDENTIFY AND DISCUSS
FUTURE LEGISLATIVE
PROPOSALS DETERMINED
TO BE NECESSARY OR
DESIRABLE FOR THE

Chair Ley presented to the Committee a request to Identify and Discuss Future Legislative Proposals Determined to be Necessary or Desirable for the System's Investments, Administration, and/or Operations. The Committee had no suggested Potential Legislative Proposals for Future Legislation Relating to the Employees' Retirement System for the next Legislative session. Chair Ley

**SYSTEM'S INVESTMENTS,
ADMINISTRATION, AND/OR
OPERATIONS**

suggested the Committee contemplate future proposals that could be shared for discussion at a later time.

Chair Ley suggested that, if possible, proposed legislation could benefit an 89-day hire if service credit for that time could be added once they became full time and vested. This proposed legislation may not necessarily be introduced by ERS but could help towards employing state workers.

ERS staff are also considering re-introducing legislation to have some senior management positions reclassified from civil service to exempt, such as the Deputy Executive Director, Chief Compliance Officer, and the Information Security Officer.

**APPROVAL OF MINUTES
- FEBRUARY 13, 2025**

On a motion made by Trustee Mizumoto, seconded by Vice Chair Yap, and unanimously carried, the Committee approved the Minutes of the February 13, 2025, meeting as presented.

ADJOURNMENT

On a motion made by Vice Chair Yap, seconded by Trustee Mizumoto, and unanimously carried, Chair Ley adjourned the meeting at 1:39 p.m.

REDACTED SIGNATURE

Thomas Williams
Executive Director

TW:dkik

ERS Initiated as of 4/29/2025										
#	Bill No	Subject	Title	Summary	Status as of 4/29/2025	Introducer(s)	Refer	Comp	Status	ERS Position
1	SB1360 SD1 HD2	Employees' Retirement System; Required Beginning Dates; Automatic Payments	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Amends chapter 88, HRS, to conform to updated required beginning dates and automatic cashout requirements in the Internal Revenue Code of 1986, as amended. (HD2)	S 4/16/2025: Enrolled to Governor.	KOUCHI (Introduced by request of another party)	LAB, FIN	HB1041	Active	Support
2	SB1361 HD2	Employees' Retirement System; Employer Reporting	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM'S EMPLOYER REPORTING REVIEW.	Adds a year between the review period and the billing due date and changes reporting of review results from the current fiscal year to the previous fiscal year. (HD2)	S 4/16/2025: Enrolled to Governor.	KOUCHI (Introduced by request of another party)	LAB, FIN	HB1042	Active	Support

Membership & Benefits Related as of 4/29/2025										
#	Bill No	Subject	Title	Summary	Status as of 4/29/2025	Introducer(s)	Refer	Comp	Status	ERS Position
3	HB214 HD1 SD2	DLE; ATG; Retirees; ERS; EUTF; Benefits; School Resource Officers; Investigators; Counties; Report	RELATING TO GOVERNMENT.	Allows a retirant to be employed without reenrollment in the Employees' Retirement System and without loss or interruption of benefits under the System or the Hawaii Employer-Union Health Benefits Trust Fund if the retirant is employed in a position needed for succession planning, as a law enforcement officer stationed at a public school as a resource officer, as an investigator, or in a management position excluded from collective bargaining, subject to certain conditions. Requires the director of human resources of the appropriate state jurisdiction or the human resources management chief executive of each county to include in their annual reports to the Legislature details on the employment of retirants as school resource officers or investigators. (SD2)	H 4/25/2025: Conference Committee Meeting will reconvene on Friday, 04-25-25 at 4:30PM in Conference Room 325. Conference Committee did not agree to a CD1 by the Final Decking Deadline	TAKAYAMA, KILA, KITAGAWA, LA CHICA, MARTEN, MIYAKE, OLDS, SOUZA, TARNAS, TODD	LBT, WAM	SB99	Dead	Provide Comments
4	SB935 SD2 HD3 CD1	ERS; DHRD; Class H, Tier 2 Members; Vested Benefit Status; Credited Service; Benefits; Judges; Retirement Allowance	RELATING TO GOVERNMENT.	Amends the retirement allowance for a member who first earns credited service as a judge after 6/30/2031 to 1.75 per cent of the judge's average final compensation for each year of credited service as a judge. Requires the Department of Human Resources Development to study the impacts and benefits of reducing, from 10 years to 5 years, the minimum number of years of credited service that qualified Class H, Tier 2 members of the Employees' Retirement System must have to be eligible for vested benefit status for service retirement allowance purposes. (CD1)	H 4/25/2025: Forty-eight (48) hours notice Wednesday, 04-30-25.	KANUHA	LAB, JHA, FIN		Active	Provide Comments
5	SB1536 SD2 HD2 CD1	HTA; President and Chief Executive Officer; ERS Exemption; Repeal	RELATING TO THE HAWAII TOURISM AUTHORITY.	Repeals the exemption of the President and Chief Executive Officer of the Hawaii Tourism Authority from the State's Employees' Retirement System. Requires a retirant returning to service as the President and Chief Executive Officer of the Hawaii Tourism Authority to re-enroll into the Employees' Retirement System. (CD1)	S 4/25/2025: 48 Hrs. Notice (as amended CD 1) 04-30-25.	DELA CRUZ, AQUINO, CHANG, KIDANI, RICHARDS, San Buenaventura	TOU, LAB, FIN		Active	Monitor

Miscellaneous as of 4/29/2025										
#	Bill No	Subject	Title	Summary	Status as of 4/29/2025	Introducer(s)	Refer	Comp	Status	ERS Position
6	GM560	Board of Trustees of the Employees' Retirement System	Board of Trustees of the Employees' Retirement System	Submitting for consideration and confirmation to the Board of Trustees of the Employees' Retirement System, Gubernatorial Nominee, DAVID LOUIE, for a term to expire 01-01-2030.	S 4/22/2025: Confirmed. Ayes, 25. Aye(s) with reservations: none. Noes, 0 (none). Excused, 0 (none).		LBT		Confirmed	Support
7	HB300 HD1 SD1 CD1	State Budget	RELATING TO THE STATE BUDGET.	Appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2025-2026 and 2026-2027. (CD1)	S 4/24/2025: 48 Hrs. Notice (as amended CD 1) 04-30-25	NAKAMURA (Introduced by request of another party)	WAM	SB473	Active	Monitor
8	HB472 HD1 SD2	Digitized Identification Cards; Valid Identification	RELATING TO DIGITAL IDENTIFICATION.	Allows digitized identification cards to be accepted as a valid form of identification, under certain conditions. Authorizes state and county law enforcement agencies to accept a digitized identification card as proof of a person's identity beginning 7/1/2027. Effective 7/1/2077. (SD2)	H 4/25/2025: Conference Committee Meeting will reconvene on Friday 04-25-25 5:00PM in conference room 325. Conference Committee did not agree to a CD1 by the Final Decking Deadline	LEE, M., AMATO, BELATTI, HASHEM, HOLT, IWAMOTO, KEOHOKAPU-LEE LOY, KITAGAWA, KUSCH, LOWEN, MARTEN, MIYAKE, OLDS, PIERICK, SAYAMA, TAKAYAMA, TODD, Tam	PSM/CPN, JDC		Dead	Monitor
9	SB325 SD1 HD1	Mandatory Tax Credit; Emergency and Budget Reserve Fund; Other Post-Employment Benefits Trust Fund; Constitution; Appropriation	RELATING TO THE GENERAL FUND.	Provides a tax credit to taxpayers and makes deposits to the emergency and budget reserve fund and other post-employment benefits trust fund pursuant to article VII, section 6, of the Hawaii State Constitution. Appropriates funds. Effective 7/1/3000. (HD1)	H 4/21/2025: Received notice of Senate conferees (Sen. Com. No. 848). Conference Committee did not schedule a meeting by the Final Decking Deadline	DELA CRUZ	FIN		Dead	Monitor
10	SB1651 SD1 HD2 CD1	Public Meetings; Board Packets; Notice	RELATING TO PUBLIC MEETINGS.	Requires board packets to be posted at least three full business days before a public meeting. Requires boards to provide notice to persons who have requested notification of meetings at the time the board packet is made available for public inspection. (CD1)	H 4/24/2025: Forty-eight (48) hours notice Wednesday, 04-30-25.	RHOADS	LAB, JHA		Active	Monitor