

JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LIEUTENANT GOVERNOR



SETH S. COLBY, Ph.D.  
ACTING DIRECTOR

SABRINA NASIR  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII  
DEPARTMENT OF BUDGET AND FINANCE  
*Ka 'Oihana Mālama Mo'ohelu a Kālā*  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT

December 15, 2025

The Honorable Ronald D. Kouchi  
President and Members  
of the Senate  
Thirty-Third State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

The Honorable Nadine K. Nakamura  
Speaker and Members of the  
House of Representatives  
Thirty-Third State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Nakamura and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Employees' Retirement System's Employer Reporting of Information report for 2025, as required by Act 87, Session Laws of Hawaii 2015. In accordance with Section 93-16, Hawaii Revised Statutes, a copy of this report has been transmitted to the Legislative Reference Bureau and the report may be viewed electronically at <http://ers.ehawaii.gov/resources/reports-to-legislature>.

Sincerely,

SETH S. COLBY, Ph.D.  
Acting Director of Finance

Enclosure

c: Legislative Reference Bureau

ec: Governor's Office: [Gov.ReportsDistribution@hawaii.gov](mailto:Gov.ReportsDistribution@hawaii.gov)  
Lieutenant Governor's Office: [LtGov.ReportsDistribution@hawaii.gov](mailto:LtGov.ReportsDistribution@hawaii.gov)  
Legislative Auditor: [auditors2@auditor.state.hi.us](mailto:auditors2@auditor.state.hi.us)  
Department of Budget and Finance: [DBFLeg.DIR@hawaii.gov](mailto:DBFLeg.DIR@hawaii.gov)

EMPLOYEES' RETIREMENT SYSTEM  
OF THE STATE OF HAWAII

ACT 87, SESSION LAWS OF HAWAII 2015  
RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM

STATUS OF EMPLOYER REPORTING OF INFORMATION  
FOR 2025

The Employees' Retirement System (ERS) hereby submits its report on the progress of employer reporting of personnel and payroll information, as required by Act 87, Session Laws of Hawaii 2015 ("Act 87, SLH 2015") for 2025.

**Importance of Employer Reporting**

The ERS administers retirement, death, and disability benefits for eligible State and county employees. Because benefits eligibility and entitlement are determined using payroll data (compensation information) and personnel data (service credit information), it is essential that the ERS receive timely and accurate data from State and county employers, who are the sole source of such data.

To that end, Act 87, SLH 2015 requires State and county employers to "furnish the information required by the system pursuant to this section in the format required by the system." Act 87, SLH 2015 further requires State and county employers to pay a penalty to the ERS should they fail to furnish the ERS with the information required in the format required.

**Progress of Employer Reporting**

In 2025, the ERS Employer Team, comprised of benefits, accounting, information system and administrative support staff members, continued to assist employers in their compliance efforts.

In January 2025, the ERS onboarded KMH LLP (KMH), a third-party accounting, consulting, and audit firm, to assist with the review and analysis of personnel and payroll data. Memos were sent to employers on March 12, 2025 and August 14, 2025 to notify them that the ERS has contracted KMH to assist in the audit and to engage with the requested employer-provided points of contact for personnel and payroll data. During the period from June through September of 2025, KMH worked with the employers to request the corroborating data for analysis.

ERS is continuing to collaborate with the KMH and employers to establish an appropriate audit process and related controls. ERS recommends that no employer be subject to the pre-payment of contributions for failing to submit data in the required format during Fiscal Year 2026 as final audit standards continue to be developed and finalized.