Honolulu, Hawaii

A-PY , 2008

RE: S.B. No. 3005

S.D. 2 H.D. 2

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2008 State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 3005, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO FEDERAL TAX QUALIFICATION OF THE EMPLOYEES' RETIREMENT SYSTEM,"

begs leave to report as follows:

The purpose of this bill is to protect the tax-qualified status of the Employees' Retirement System (ERS) by, among other things:

- (1) Eliminating optional membership in the ERS for elective officers;
- (2) Implementing a one-time irrevocable election by elective officers who choose to be excluded from membership in the ERS; and
- (3) Providing that a retirant may return to service as an elective officer without suspension of their retirement benefits under certain conditions.

In addition, this bill repeals the statutory cap on retirement benefits for elective officers and judges.

ERS opposed this bill. The Department of Budget and Finance and the Attorney General submitted comments.

SB3005 HD2 HSCR FIN HMS 2008-3402



Your Committee has amended this measure by:

- (1) Deleting the provisions that repeal the statutory cap on retirement benefits for elective officers and judges; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3005, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3005, S.D. 2, H.D. 2.

Respectfully submitted on behalf of the members of the Committee on Finance,

MARCUS R. OSHIRO, Chair

## State of Hawaii House of Representatives The Twenty-fourth Legislature



## **Record of Votes of the Committee on Finance**

Bill/Resolution No.:	Committee Referral: Date:			
SB 3005, SD2, HD1	LAB, FIN 3-26-2008			
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to:  Pass, unamended (as is) Pass, with amendments (HD)  Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)				
2. LEE, Marilyn B. (VC)				
3. AWANA, Karen Leinani				
4. BELATTI, Della Au				
5. BROWER, Tom				
6. CARROLL, Mele				
7. HANOHANO, Faye P.				
8. HAR, Sharon E.	\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \			
9. KARAMATSU, Jon Riki				
10. MAGAOAY, Michael Y.	<u> </u>			
11. MANAHAN, Joey	V	# 1		
12. MIZUNO, John				
13. NAKASONE, Bob				1
14. RHOADS, Karl				
15. SAGUM, Roland D., III				<b>ー</b>
16. TOKIOKA, James Kunane	-			
17. MEYER, Colleen Rose				~
18. PINE, Kymberly Marcos				-
19. WARD, Gene, Ph.D.				
TOTAL (19)	15	0	0	4
The recommendation is:  Adopted  If joint referral, did not support recommendation.  committee acronym(s)				
Vice Chair's or designee's signature: Maif 3. Lel				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office				