JAN 21 2011

A BILL FOR AN ACT

RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- SECTION 1. The legislature finds that the counties need
 county representation on the board of trustees of the employees'
 retirement system of the State. The counties contribute a
- 4 considerable share to retirement system costs, and their
- 5 employees and retirees are a significant portion of the system's
- 6 membership. County representation will ensure that the board
- 7 possesses expertise about county finances and the county
- ${f 8}$ workforce in making benefit decisions. Lack of representation
- 9 may result in a situation where board members do not fully
- 10 consider the costs of their actions on the counties, resulting
- 11 in changes that may not be cost beneficial in the aggregate or
- 12 may affect the retirement income of county employees and
- 13 retirees.
- 14 The purpose of this Act is to include county representation
- 15 on the membership of the board of trustees of the employees'
- 16 retirement system.
- 17 SECTION 2. Section 88-24, Hawaii Revised Statutes, is
- 18 amended to read as follows:



3

16

17

18

19

20

21

S.B. NO. 1029

1	"§88-24	Composition	of board.	The board	of	trustees	shall
· _		4 - 1- 4 - 1 - 4	.1	:			
L	consist of [e	ignt] <u>ten</u> men	mbers as io	TIOMS:			

- (1) The director of finance of the State, ex officio;
- (2) [Four] Five members of the system, [two] three of whom 5 shall be general employees, one of whom shall be a 6 teacher, and one of whom shall be a retirant to be 7 elected by the members and retirants of the system 8 under rules adopted by the board governing the 9 election to serve for terms of six years each, one of 10 the terms to expire on January 1 of each even-numbered 11 year; provided that, if after the close of filing of **12** petitions for candidacy, a member is unopposed for 13 election to a trustee position, the member shall be 14 deemed and declared to be duly and legally elected to 15 the position of trustee without an election; [and]
 - of whom shall be a responsible officer of a bank authorized to do business within the State, or a person of similar experience, to be appointed by the governor, with the advice and consent of the senate, to serve for a term of six years each, one of the

S.B. NO. 1029

1		terms to expire January 1 of each odd-numbered					
2		year[-]; and					
3	(4)	One member appointed by unanimous agreement of the					
4		mayors of each of the four counties and approved by					
5	the Hawaii State Association of Counties, subject to						
6	the advice and consent of the senate in the same						
7	•	manner as trustees appointed by the governor, to serve					
8		for a term of six years with each term to expire on					
9	•	January 1 of an odd-numbered year.					
10	Each trustee shall serve until the trustee's successor is						
11	elected or appointed, as the case may be, and qualified. For						
12	the purpose of this section, the term "general employees"						
13	includes police officers and firefighters."						
14	SECTION 3. Statutory material to be repealed is bracketed						
15	and stricken. New statutory material is underscored.						
16	SECTION 4. This Act shall take effect upon its approval.						
17							
	INTRODUCED BY:						
		By Request					

SB LRB 11-0891.doc

Report Title:

HSAC Package; Employees' Retirement System; Board of Trustees; Counties

Description:

Increases the members on the ERS board of trustees from eight to ten. Establishes county representation on the ERS board of directors.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.