

MAR 16 2011

SENATE RESOLUTION

REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY TO MEASURE THE EFFECTIVENESS OF THE POST RETIREMENT ALLOWANCE IN FULFILLING ITS PURPOSE TO HELP OFFSET THE RISING COST OF LIVING AND KEEP UP WITH INFLATION.

1 WHEREAS, Chapter 88-90, Hawaii Revised Statutes, creates a
2 Post Retirement Allowance in the Employees' Retirement System;
3 and
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5 WHEREAS, the pension benefit of state and county employees
6 is calculated via a format that uses various factors, including
7 time of service and average annual salary, to determine the
8 amount of final compensation; and
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10 WHEREAS, the Post Retirement Allowance benefit is a fixed,
11 uncompounded amount of compensation based upon a formula using
12 two and one-half percent of a retiree's pension multiplied by a
13 retiree's years of service; and
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15 WHEREAS, inflation is an inescapable economic reality that
16 causes all citizens to inevitably pay more over time for goods
17 and services; and
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19 WHEREAS, the Post Retirement Allowance benefit is meant to
20 assist retirees on fixed or semi-fixed incomes to mitigate the
21 effects of inflation; and
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23 WHEREAS, many believe that the current fixed percentage
24 calculation of the Post Retirement Allowance does not allow
25 pension recipients to keep up with the cost of living; now,
26 therefore,
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28 BE IT RESOLVED by the Senate of the Twenty-sixth
29 Legislature of the State of Hawaii, Regular Session of 2011,
30 that the Legislative Reference Bureau is requested to conduct a



1 study on the current Post Retirement Allowance to determine
2 whether it is fulfilling its purpose of maintaining a standard
3 of living for retired members and beneficiaries; and
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5 BE IT FURTHER RESOLVED that the Legislative Reference
6 Bureau report its findings and recommendations including any
7 proposed legislation, to the Legislature no later than 20 days
8 prior to the convening of the Regular Session of 2012; and
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10 BE IT FURTHER RESOLVED that certified copies of this
11 Resolution be transmitted to the Director of the Legislative
12 Reference Bureau, the Director of the Employees' Retirement
13 System, the President of the Hawaii State Teachers Association -
14 Retired, and the Hawaii Government Employees Association
15 Retirees Unit.
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OFFERED BY: 