

Honolulu, Hawaii

APR 05 2013

RE: H.B. No. 805  
H.D. 1  
S.D. 2

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 805, H.D. 1, S.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 and intent of this measure is to amend the Employees' Retirement System laws to comply with Internal Revenue Code requirements and vesting rules in order to maintain the System's status as a tax-qualified retirement plan.

Your Committee received written comments in support of this measure from the Department of Budget and Finance and the Employees' Retirement System.

Your Committee finds that, in 2009, the Employees' Retirement System submitted a request to the Internal Revenue Service to review and determine whether the language of its plan document, comprising the statutes and administrative rules governing the Employees' Retirement System, met the federal tax qualification requirements applicable to pension plans sponsored by state and local governments. Your Committee also finds that on March 21, 2012, the Employees' Retirement System received from the Internal Revenue Service a favorable determination letter approving the language of the plan document, on the condition that the State adopt certain amendments to chapter 88, Hawaii Revised Statutes. Your Committee further finds that this measure adopts the

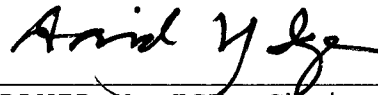


statutory amendments approved by the Internal Revenue Service, thus allowing the Employees' Retirement System to maintain its tax-exempt status.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 805, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 805, H.D. 1, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



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DAVID Y. IGE, Chair



The Senate  
Twenty-Seventh Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

|   |  |                         |            |                |
|---|--|-------------------------|------------|----------------|
| Bill / Resolution No.:*<br><b>HB 805, HDL, SDI</b>  | Committee Referral:<br><b>JDL, WAM</b> | Date:<br><b>3-27-13</b> |            |                |
| <input type="checkbox"/> The committee is reconsidering its previous decision on this measure.<br>If so, then the previous decision was to: _____   |  |                         |            |                |
| The Recommendation is:<br><div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended<br/>2312         </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments<br/>2311         </div> <div style="text-align: center;"> <input type="checkbox"/> Hold<br/>2310         </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit<br/>2313         </div> </div> |  |                         |            |                |
| <b>Members</b>  | <b>Aye</b>                             | <b>Aye (WR)</b>         | <b>Nay</b> | <b>Excused</b> |
| IGE, David Y. (C)   | ✓                                      |                         |            |                |
| KIDANI, Michelle N. (VC)  | ✓                                      |                         |            |                |
| CHUN OAKLAND, Suzanne   | ✓                                      |                         |            |                |
| DELA CRUZ, Donovan M.   | ✓                                      |                         |            |                |
| ENGLISH, J. Kalani  |  |                         |            | ✓              |
| ESPERO, Will  | ✓                                      |                         |            |                |
| KAHELE, Gilbert   | ✓                                      |                         |            |                |
| KEITH-AGARAN, Gilbert S.C.  | ✓                                      |                         |            |                |
| KOUCHI, Ronald D.   |  |                         |            | ✓              |
| RUDERMAN, Russell E.  | ✓                                      |                         |            |                |
| THIELEN, Laura H.   | ✓                                      |                         |            |                |
| TOKUDA, Jill N.   | ✓                                      |                         |            |                |
| SLOM, Sam   | ✓                                      |                         |            |                |
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|   |  |                         |            |                |
|   |  |                         |            |                |
|   |  |                         |            |                |
| <b>TOTAL</b>  | <b>11</b>                              | <b>0</b>                | <b>0</b>   | <b>2</b>       |
| Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted         <input type="checkbox"/> Not Adopted         </div>  |  |                         |            |                |
| Chair's or Designee's Signature:  |  |                         |            |                |
| <div style="display: flex; justify-content: space-between; font-size: small;"> <div> <b>Distribution:</b><br/>           Original<br/>           File with Committee Report         </div> <div>           Yellow<br/>           Clerk's Office         </div> <div>           Pink<br/>           Drafting Agency         </div> <div>           Goldenrod<br/>           Committee File Copy         </div> </div>  |  |                         |            |                |

\*Only one measure per Record of Votes