A BILL FOR AN ACT

RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.

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

1   SECTION 1. The legislature finds that the counties need

2 county representation on the board of trustees of the employees'

3 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

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:

SB LRB 13-0488.doc

1   "§88-24 **Composition of board.** The board of trustees shall

2   consist of [eight] ten members as follows:

3   (1)   The director of finance of the State, ex officio;

4   (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]

16   (3)   Three citizens of the State who are not employees, two

17   of whom shall have at least three years of experience

18   providing financial services, including investments,

19   to public, corporate, or private institutional

20   clients, to be appointed by the governor, with the

21   advice and consent of the senate, to serve for a term

1   of six years each, one of the terms to expire January

2   1 of each odd-numbered 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. The counties shall

10   be responsible for all necessary expenses, including

11   travel, board, and lodging expenses, and any other

12   costs, incurred in the performance of the member's

13   duties.

14   Each trustee shall serve until the trustee's successor is

15   elected or appointed, as the case may be, and qualified. For

16   the purpose of this section, the term "general employees"

17   includes police officers and firefighters."

18   SECTION 3. Statutory material to be repealed is bracketed

19   and stricken. New statutory material is underscored.

20   SECTION 4. This Act shall take effect on July 1, 2030.

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INTRODUCED BY: _____

By Request

Report Title:
Hawaii State Association of Counties Package; Employees'
Retirement System; Board

Description:
Adds two members to the board of trustees of the employees'
retirement system. One of the new members is to be appointed by
unanimous agreement of the mayors of each county and approved by
the Hawaii State Association of Counties. Effective 07/01/2030.

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