

JAN 23 2015

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## A BILL FOR AN ACT

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RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.

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

SECTION 1. Section 88-103.7, Hawaii Revised Statutes, is amended to read as follows:

**"[+]§88-103.7[+] Information from the State and counties.**

(a) To fulfill its responsibilities under this chapter, the system ~~[may]~~ shall require any department or agency of the State or counties to furnish information to the system to carry out the purposes of this chapter. The system ~~[may]~~ shall specify the format in which the information shall be furnished. Without limitation of the foregoing, the system ~~[may]~~ shall require that information be furnished in electronic format and that information with respect to payroll and personnel transactions:

(1) Allocate payments, including bonuses, salary adjustments, payments for compensatory time, and workers' compensation, to monthly or other periods as requested by the system; ~~[and]~~

(2) Specify the purpose or nature of the payment~~[-]~~; and



1       (3) Indicate any changes or errors in payments that  
2       require correcting or updating.

3       (b) All departments and agencies of the State or counties  
4       shall furnish the information required by the system pursuant to  
5       this section in the format required by the system. The system  
6       shall notify each department or agency of the State or counties  
7       that is required to furnish information to the system of any  
8       change in the required format for the information. Each  
9       department or agency shall have one hundred eighty days from the  
10       date of the receipt of the notice of a change in the required  
11       format to update the format in which the required information is  
12       provided to the system.

13       (c) If a department or agency of the State or county fails  
14       to furnish the system with the information required pursuant to  
15       this section, the State or county shall pay to the system, on  
16       the first day of the fiscal year following the fiscal year in  
17       which the failure to furnish the required information occurred,  
18       an amount equal to the employer contributions payable by the  
19       State or county, relative to the department or agency that is  
20       not in compliance with this section, during the fiscal year in  
21       which the failure to furnish the required information occurred.



1 This amount shall be applied to contributions required under  
2 section 88-124 for the State and section 88-126 for the  
3 counties.

4 (d) If full payment of the amount required under  
5 subsection (c) is not made by the State or county on the first  
6 day of the fiscal year, then:

7 (1) Any unpaid amounts shall bear interest at the rate  
8 equal to the investment yield rate assumption in  
9 effect for actuarial valuations of the system; and

10 (2) Any payments received by the system for the State or  
11 county, except for payments made pursuant to sections  
12 88-46, 88-100, and 88-326, shall be applied first to  
13 accrued interest and then to the amount required to be  
14 paid under subsection (c).

15 (e) The system may waive the requirements of subsections  
16 (c) and (d) if the system determines, in its sole discretion,  
17 that the failure by the department or agency to furnish the  
18 required information in the required format is the result of an  
19 unforeseen system failure, natural disaster, or other unforeseen  
20 event.



(f) The system shall annually submit to the department of budget and finance and legislature, no later than twenty days prior to the convening of each regular session, a report that details the following for the current fiscal year:

(1) Any department or agency of the State or counties that failed to comply with this section; and

(2) Any amounts required to be paid under subsection (c), including the anticipated amounts payable in the upcoming fiscal year, and identification of any state budget programs that may be affected."

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

INTRODUCED BY:

*Mike Hubbard*  
*John S. ...*  
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**Report Title:**

Employees' Retirement System; Payroll and Personnel Transactions

**Description:**

Requires any department or agency of the State or counties to furnish to the Employees' Retirement System certain payroll and personnel transaction information, including changes or errors in payments. Requires the State or county to pay to the system an amount equal to the employer contributions payable by the department or agency if the department or agency fails to report such information in the required format. Authorizes the Employees' Retirement System to waive such payments if non-reporting is due to unforeseen circumstances. Provides that unpaid amounts payable to the system because the department or agency fails to report information in the required format, shall bear interest. Requires annual reports regarding compliance with new reporting requirements to be submitted to the Department of Budget and Finance and Legislature.

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

