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## 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. Section 88-90.5, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           "§88-90.5 Actuarial assumptions. (a) Notwithstanding any  
4 provision in this chapter to the contrary, the board may approve  
5 the effect of the post retirement allowance under section 88-90,  
6 or of any other mandatory fixed scheduled increase in the  
7 benefits payable under part II, VII, or VIII, as an actuarial  
8 assumption for the purpose of determining the value of the  
9 options available under sections 88-83, 88-283, and 88-333.

10           (b) Subject to the recommendation of the actuary appointed  
11 under section 88-29, the board may adopt, by motion at any duly  
12 noticed meeting of the board, actuarial tables, factors, and  
13 assumptions for the purposes of parts II, VII, and VIII. The  
14 tables, factors, and assumptions that are used to compute  
15 benefits shall be in writing and certified by the executive  
16 director.



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1        (c) The investment yield rate assumption approved by the  
2 board under subsection (b) may not be used to compute benefits  
3 until:

4        (1) The board submits a resolution to the legislature that  
5 specifies the assumption and the rationale used for  
6 that assumption; and

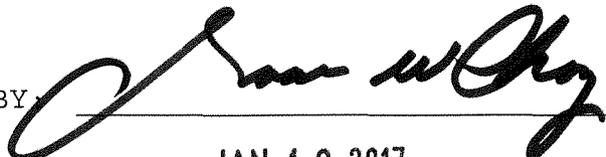
7        (2) The legislature approves of that assumption through  
8 the adoption of a concurrent resolution.

9 An investment yield rate established pursuant to this subsection  
10 shall remain in effect for at least three years from the date of  
11 legislative approval pursuant to paragraph (2)."

12        SECTION 2. New statutory material is underscored.

13        SECTION 3. This Act shall take effect on July 1, 2017.

14

INTRODUCED BY   
JAN 18 2017

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**Report Title:**

ERS; Investment Yield Rate Assumption; Legislature

**Description:**

Requires the investment yield rate assumption approved by the Board of Trustees of the ERS to be further approved by the legislature prior to its use in computing benefits.

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

