

JAN 22 2021

A BILL FOR AN ACT

RELATING TO THE UNIVERSITY OF HAWAII.

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

1 SECTION 1. Section 88-8, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "~~§88-8~~ **University of Hawaii optional retirement system.**

4 (a) Notwithstanding any other law to the contrary, the board of
5 regents may establish without regard to the public notice or
6 public hearing requirements of chapter 91, a retirement system
7 separate from the state employees' retirement system to provide
8 retirement allowances and other benefits for University of
9 Hawaii employees who are [+

10 ~~(1) Members of bargaining unit (7); or~~

11 ~~(2) Other employees of the University of Hawaii or the~~
12 ~~community college system who are excluded from~~

13 ~~bargaining unit (7) pursuant to chapter 89.]~~ employed

14 on or after the effective date of Act _____, Session

15 Laws of Hawaii 2021, by the board of regents and are

16 eligible for membership in the state employee's

17 retirement system.



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1 (b) The general administration and the responsibility for
2 the proper operation of the optional retirement system of the
3 University of Hawaii shall be vested in the board of regents.

4 ~~[The board of regents may manage the optional retirement system~~
5 ~~within the University of Hawaii or contract for the management~~
6 ~~of the optional retirement system.] In fulfillment of its~~

7 general administrative responsibilities related to the optional
8 retirement system of the University of Hawaii and to endure the
9 adequate choice and competition for employee participants, the
10 board of regents shall designate no fewer than three companies
11 to provide annuity contracts, mutual fund accounts, or similar
12 investment products offered through state or national financial
13 institutions, or a combination of them, under the optional
14 retirement system.

15 (c) The board of regents may establish vesting periods for
16 the members of the optional retirement system of the University
17 of Hawaii that are different from those established in this
18 chapter.

19 (d) The board of regents may establish retirement
20 allowances and other benefits for the optional retirement system
21 of the University of Hawaii.



1 (e) ~~[The employer's share of the cost of the optional~~
2 ~~retirement plan of the optional retirement system of the~~
3 ~~University of Hawaii shall not exceed the equivalent amount for~~
4 ~~any other group covered by this chapter.] For any employee whose~~
5 ~~compensation is paid in whole or in part from the general fund~~
6 ~~and who elects to become a member of the optional retirement~~
7 ~~system of the University of Hawaii, the University of Hawaii~~
8 ~~shall make the annual contribution on behalf of the employee to~~
9 ~~the optional retirement system of the University of Hawaii.~~

10 (f) Any member of the state employees' retirement system
11 when the optional retirement system of the University of Hawaii
12 is established ~~[who is also:~~

13 ~~(1) A member of bargaining unit (7); or~~

14 ~~(2) Other employees of the University of Hawaii or the~~
15 ~~community college system who are excluded from~~
16 ~~bargaining unit (7) pursuant to chapter 89,]~~

17 shall remain a member of the state employees' retirement system
18 unless the person elects in writing on a form prescribed by the
19 board of regents to terminate the person's membership. The form
20 shall be submitted to the state employees' retirement system no



1 later than ninety days after the establishment of the optional
2 retirement system of the University of Hawaii.

3 (g) Any person hired after the establishment of the
4 optional retirement system of the University of Hawaii who is [+

5 ~~(1) A member of bargaining unit (7); or~~

6 ~~(2) Other employees of the University of Hawaii or the~~
7 ~~community college system who are excluded from~~

8 ~~bargaining unit (7) pursuant to chapter 89,~~

9 ~~shall elect to be a member of the state employees' retirement~~
10 ~~system or the optional retirement system of the University of~~
11 ~~Hawaii. Upon an election the person may not transfer from one~~

12 ~~system to the other.] an appointee of the board of regents and~~

13 ~~is eligible for membership in the state employees' retirement~~

14 ~~system shall be enrolled as a member of the state employees'~~

15 ~~retirement system unless the employee elects to be enrolled in~~

16 ~~the optional retirement system of the University of Hawaii~~

17 ~~within ninety days of the date of the employee's employment.~~

18 ~~Upon electing to be enrolled in the optional retirement system~~

19 ~~of the University of Hawaii, a person who remains employed by~~

20 ~~the University of Hawaii may not transfer from the optional~~

21 ~~retirement system of the University of Hawaii to the state~~



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1 employees' retirement system. Service under the optional
2 retirement system of the University of Hawaii shall not be
3 credible as service under the state employees' retirement
4 system.

5 (h) Notwithstanding any other law to the contrary,
6 retirement benefits for the optional retirement system of the
7 University of Hawaii shall be a subject of collective bargaining
8 negotiations for bargaining unit (7) [-] and (8)."

9 SECTION 2. This Act does not affect rights and duties that
10 matured, penalties that were incurred, and proceedings that were
11 begun before its effective date.

12 SECTION 3. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 4. This Act shall take effect upon its approval.

15

INTRODUCED BY: 



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Report Title:

University of Hawaii; Optional Retirement System

Description:

Restricts the eligible membership of the UH optional retirement system to employees of the board of regents. Requires the board of regents to choose at least three companies to provide investment products under the UH optional retirement system. Automatically enrolls UH employees to the state employee's retirement system unless they opt to enroll in the UH optional retirement system within ninety days of employment. Prohibits UH employees from transferring from the UH optional retirement system to the state employees' retirement system. Requires UH to make annual contributions for its employees within the optional retirement system. Allows the retirement benefits of the UH optional retirement system to be subject to collective bargaining negotiations for the bargaining unit for personnel other than UH faculty.

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

