

## ACT 77

S.B. NO. 879

A Bill for an Act Relating to the Retirement of University of Hawaii Football Coaches.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the achievements of any major university's athletic program contribute greatly to the overall excellence of the institution. To achieve a successful athletic program, coaches are usually viewed as a variable factor and thus are often short-term employees.

The legislature also finds that the full-time coaches at the University of Hawaii are members of the employees' retirement system. Coaches who became state employees after June 30, 1984 are noncontributory members who are not entitled to retirement benefits unless they have ten or more years of service. Many coaches at the college level do not remain at one institution for ten or more years.

In response to this peculiar situation, in the college football field, for example, a nationwide retirement trust has been established to provide a viable retirement plan for coaches who may change employers more than once and may not remain with one employer long enough to receive optimal benefits. The legislature recognizes that coaching is a highly stressful occupation which requires extraordinarily dedicated and committed persons. It would be unfortunate if a coach, after rendering eight years of devoted service to the State and moving on to a program in another state for better career opportunities, is not eligible for retirement benefits for his service in Hawaii because the system's vesting requirement is ten years. The legislature believes that this service should not go unrewarded.

The legislature further finds that the University of Hawaii is permitted, under chapter 303, Hawaii Revised Statutes, to enter into agreements with employees to purchase annuity contracts and to provide for the withholding of premiums from the employee's salary. The purpose of this Act is to provide University of Hawaii football coaches with better options in planning for retirement.

SECTION 2. Chapter 303, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§303- Participation in qualified football coaches pension plan.** The University of Hawaii, on behalf of any of its football coaches, may enter into a written agreement with any association of football coaches with a qualified coaches plan under the Employee Retirement Income Security Act of 1974, as amended, for the purpose of enabling its football coaches to participate in the association's

## ACT 77

qualified pension plan. The University of Hawaii may withhold sums from a participating football coach's salary and pay those sums directly to the qualified coaches plan if withholding and payment are required under the plan."

SECTION 3. Section 303-2, Hawaii Revised Statutes, is amended to read as follows:

**"§303-2 Contract for purchase of annuity.** The department of education and the University of Hawaii [may], on behalf of any employee of [their] the respective institutions, may enter into a written agreement with any such employee[,] to purchase for the employee an annuity contract from an insurer who holds a certificate of authority under section [431-82.] 431:3-201 or who offers an annuity contract qualified under section 401(k) of the Internal Revenue Code, as amended, which provides a nationwide retirement trust for a group of college or university football coaches who, due to the nature of their jobs, change employers frequently."

SECTION 4. Statutory material to be repealed is bracketed. New statutory material is underscored.<sup>1</sup>

SECTION 5. This Act shall take effect upon its approval.

(Approved April 27, 1993.)

### Note

1. Edited pursuant to HRS §23G-16.5.