

**ACT 178**

S.B. NO. 3106

A Bill for an Act Relating to Counties.

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

SECTION 1. The legislature finds that allowing counties to require part-time, temporary, and seasonal or casual employees to participate in deferred com-

pensation plans would save the counties significant amounts of money. To implement these plans, the legislature further finds that allowing counties to enter into an agreement with the State to extend the State's existing program to the counties would expedite and facilitate the implementation of the county plans.

The purpose of this Act is to allow counties to require mandatory participation in deferred compensation plans for part-time, temporary, and seasonal or casual employees, to be a part of the State's existing plans.

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

“~~[§88F-2]~~ **State deferred compensation retirement plan for state and county part-time, temporary, and seasonal or casual employees.** The State may establish a deferred compensation retirement plan in accordance with sections 457 and 3121 of the Internal Revenue Code of 1986, as amended, for the benefit of employees to defer a portion of their compensation to a future period of time. Participation in the plan shall be mandatory, with a mandatory payroll deduction by the employee equal to seven and five-tenths per cent of the employee's gross monthly wages, which shall be contributed to the plan. A county may enter into a formal agreement with the State to extend the State's plan and its provisions to part-time, temporary, and seasonal or casual employees of the county; provided that:

- (1) The agreement designates one of the county's agencies to locally coordinate the plan; and
- (2) The department of human resources development may levy fees on the county pursuant to rules adopted in accordance with chapter 91.”

SECTION 3. Section 88F-12, Hawaii Revised Statutes, is amended to read as follows:

“~~[§88F-12]~~ **County deferred compensation retirement plan for part-time, temporary, and seasonal or casual employees.** ~~[The counties]~~ A county may enter into a formal agreement with the State to extend the State's deferred compensation retirement plan and its provisions to part-time, temporary, and seasonal or casual employees of the county or establish a deferred compensation retirement plan independently in accordance with sections 457 and 3121 of the Internal Revenue Code of 1986, as amended, for their respective part-time, temporary, and seasonal or casual employees. A plan so established under this section need not be subject to the other provisions of this chapter, but shall be in compliance with applicable federal laws and regulations. A plan established by a county under this section shall be the sole responsibility of and administered by that county. The board shall not be responsible or liable for any county plan[-] established under this section.”

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved July 7, 2004.)