

ACT 29

H.B. NO. 1035

A Bill for an Act Relating to Employees' Retirement System Benefit Enhancement Moratorium.

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

SECTION 1. The purpose of this Act is to assist the employees' retirement system in improving and protecting its funded status by placing a mora-

torium on the enhancement of benefits until the system's funded ratio is one hundred per cent. If future legislatures grant additional benefits (which include earlier retirements), the time it will take the employees' retirement system to become fully funded will be lengthened, perhaps significantly, depending upon the level of enhancements granted.

SECTION 2. Chapter 88, Hawaii Revised Statutes, is amended by adding a new section to part II to be appropriately designated and to read as follows:

"§88- Moratorium on benefit enhancements. There shall be no benefit enhancements under this chapter for any group of members, including any reduction of retirement age, until such time as the actuarial value of the system's assets is one hundred per cent of the system's actuarial accrued liability."

SECTION 3. New statutory material is underscored.¹

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

(Approved April 28, 2011.)

Note

1. Edited pursuant to HRS §23G-16.5.