MEMORANDUM

TO: Vice Presidents
Chancellors
Deans and Directors

FROM: Debra Ann C. Ishii
System Director of Human Resources

SUBJECT: Employees’ Retirement System - New Employer Rates

August 3, 2012

Effective July 1, 2012, the Employees’ Retirement System (ERS) employer contribution rate has increased to 15.50%. The State of Hawai‘i pays the employer’s contribution for employees on general funds (G funds). For employees on non-G funds, such as those on grants, contracts or research and training revolving funds, the respective campus, school, college or program is responsible for the increased contribution amount. Please share this information with your staff with fiscal authority so they may plan and budget for the increase in imposed fringe benefits accordingly.

Pursuant to Section 88-122 (e), Determination of employer normal cost and accrued liability contributions, Hawai‘i Revised Statutes, the employer contribution rate for subsequent years will be as follows:

- Effective July 1, 2012, the employer contribution rate is 15.50%
- Effective July 1, 2013, the employer contribution rate is 16.00%
- Effective July 1, 2014, the employer contribution rate is 16.50%
- Effective July 1, 2015, the employer contribution rate is 17.00%

You may refer to Section 88-122, Hawaii Revised Statutes, for more information: http://www.capitol.hawaii.gov/hrscurrent/Vol02_Ch0046-0115/HRS0088/HRS_0088-0122.htm.

Please contact Clifford Shinchii at shinchii@hawaii.edu or (808) 956-8607 should you have questions.

c: President Greenwood
Human Resources Representatives (via e-mail)