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DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

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August 9, 2016

COMPTROLLER'S MEMORANDUM NO. 2016-13

TO: Heads of Departments and Agencies

ATTN: Payroll Offices

FROM: Douglas Murdock, Comptroller

SUBJECT: Act 86 (2015) Relating to the Employees' Retirement System

This memorandum is to advise all departments and agencies that effective June 5, 2015, Act 86 (2015) Section 78-25 was amended to have mandatory retirement contributions deducted and made during the same period with the payment of workers' compensation benefits. Previously employees had the option to deduct retirement contributions for these wage replacement benefits on the Notification and Election of Compensation for Industrial Injury (NECII).

For workers' compensation benefits paid prior to the pay date August 18, 2016, the Employees' Retirement System of the State of Hawaii will be handling the recovery of the deficient contributions directly with the employees for the prior periods.

Payroll Offices

For employees who receive workers' compensation benefits with the pay date August 18, 2016, retirement contributions will be deducted automatically from the employee's paychecks and there is no action on the part of the payroll offices with the exception of reporting the workers compensation benefit on the Workers Compensation Payroll Change Schedule as usual.

For workers compensation adjustments reported on State Accounting Form D-70, Notification of Payroll Adjustment, please update the REMARKS section to breakdown the workers compensation adjustment by pay period. Adjustments other than for workers compensation (i.e. salary overpayment) should be submitted on a separate D-70.

If there are any questions regarding this information, please contact Lenora Fisher, Accounting System Manager, Accounting Division at 586-0660, or email at lenora.d.fisher@hawaii.gov.