

BENJAMIN J. CAYETANO  
GOVERNOR



NEAL MIYAHIRA  
DIRECTOR

STANLEY SHIRAKI  
ACTING DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII PUBLIC EMPLOYEES HEALTH FUND  
OFFICE OF THE PUBLIC DEFENDER  
PUBLIC UTILITIES COMMISSION

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION

June 27, 2001

FINANCE MEMORANDUM

MEMO NO. 01-08

**TO:** All Department Heads

**FROM:** Neal Miyahira  
Director of Finance

**SUBJECT:** Assessment of FY 02 Pension Accumulation and Social Security Costs

Beginning in FY 02, the employer's share of pension accumulation (PA) and social security will be totally funded by the general fund. In practice, this means that each month, the Employees' Retirement System (ERS) will be drawing down the total required amounts only from the general fund. ERS will no longer be receiving a portion from the general fund and a portion from non-general funds.

In order to reimburse the general fund for the non-general funds' share, the Department of Accounting and General Services will be assessing the non-general funds for their share through the payroll system and the amounts will be deposited into the general fund.

In addition, it is our understanding that some departments have been initially paying their payroll costs and fringe benefit assessments from the general fund and later reimbursing the general fund with federal and other non-general funds. These departments have been making these payroll adjustments through journal vouchers (JV) and sending checks to ERS for the non-general funds' share of PA and social security.

Beginning in FY 02, reimbursements from the non-general funds should no longer be sent to ERS. Instead, reimbursements should be made to the general fund using a JV. The same JV should be used to record the payroll adjustments as well as the PA and social security adjustments. The following source codes should be used:

1951 pension accumulation reimbursement  
1952 social security reimbursement

Should you have any questions or require further information, please contact me, or your staff may contact Mr. James Nakamura, Administrator of this department's Budget, Program Planning and Management Division, at 586-1530.

Attachment