



EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

GOV. MSG. NO. **713**

June 13, 2006

The Honorable Robert Bunda, President
and Members of the Senate
Twenty-Third State Legislature
State Capitol, Room 003
Honolulu, Hawaii 96813

Dear Mr. President and Members of the Senate:

This is to inform you that on June 13, 2006, the following bill was signed into law:

HB2678 HD2 SD2 CD1

A BILL FOR AN ACT RELATING TO THE
EMPLOYEES' RETIREMENT SYSTEM.
(ACT 185)

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle".

LINDA LINGLE

HOUSE OF REPRESENTATIVES
TWENTY-THIRD LEGISLATURE, 2006
STATE OF HAWAII

H.B. NO. 2678
H.D. 2
S.D. 2
C.D. 1

A BILL FOR AN ACT

RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that under sections 88-75
2 and 88-284, Hawaii Revised Statutes, members of the employees'
3 retirement system who are granted approval for ordinary
4 disability retirement are eligible to receive ordinary
5 disability retirement benefits no earlier than thirty days from
6 the date the application was filed or the date the member
7 terminated service, whichever is later. However, section 6-26-
8 2(2), Hawaii Administrative Rules, expands upon these provisions
9 by adding that the effective date of retirement for ordinary
10 disability retirement shall be no later than ninety days from
11 the date of the notice informing the member of the employees'
12 retirement system's board of trustees' approval of the
13 application, and if the applicant fails to retire within ninety
14 days after the mailing of that notice, the application shall be
15 deemed canceled.

16 The legislature also finds that the ninety-day time limit
17 is burdensome to employees' retirement system members who have
18 applied for ordinary disability retirement, because the



1 requirement imposes a deadline by which these members must cease
2 their employment and, hence, their compensation at full pay.
3 Furthermore, the ninety-day time limit prevents employees'
4 retirement system members who are approved for ordinary
5 disability retirement from using their earned paid sick leave
6 and vacation leave of absence beyond ninety days.

7 The purpose of this Act is to nullify the effective date of
8 retirement for ordinary disability retirement as contained in
9 section 6-26-2(2), Hawaii Administrative Rules, and establish
10 that, if an applicant who files an application for ordinary
11 disability retirement continues to work at the applicant's
12 regular job, or remains on payroll by taking paid sick or
13 vacation leave of absence, the effective date of retirement
14 shall be the first day of the month following the month the
15 applicant terminates employment or goes off the payroll.

16 SECTION 2. Section 88-75, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "**§88-75 Ordinary disability retirement.** Upon application
19 of a member in service or on leave without pay, or the person
20 appointed by the family court as guardian of an incapacitated
21 member, any member who has ten or more years of credited service
22 shall be retired by the board of trustees on an ordinary



1 disability retirement allowance if the medical board, after a
2 medical examination of the member, certifies that:

- 3 (1) The member is mentally or physically incapacitated for
4 the further performance of duty at the time of
5 application;
6 (2) The incapacity is likely to be permanent; and
7 (3) The member should be retired.

8 Upon approval by the board, the member shall be eligible to
9 receive an ordinary disability retirement benefit no earlier
10 than thirty days from the date the application was filed or the
11 date the member terminated service, whichever is later.

12 ~~[Retirement]~~ A member whose application for an ordinary
13 disability retirement allowance is approved by the board while
14 the member is still in service may terminate service and retire
15 at any time following such approval; provided that retirement
16 shall become effective on the first day of [a] the month[7]
17 following the month the applicant terminates employment or goes
18 off the payroll, except for the month of December when
19 retirement on the first or last day of the month shall be
20 allowed."

21 SECTION 3. Section 88-284, Hawaii Revised Statutes, is
22 amended by amending subsection (b) to read as follows:



1 "(b) Upon approval by the board, the member shall receive
2 an ordinary disability retirement benefit no earlier than thirty
3 days from the date the application was filed or the date the
4 member terminated service, whichever is later. [~~Retirement~~] A
5 member whose application for an ordinary disability retirement
6 allowance is approved by the board while the member is still in
7 service may terminate service and retire at any time following
8 such approval; provided that retirement shall become effective
9 on the first day of [a] the month[7] following the month the
10 applicant terminates employment or goes off the payroll, except
11 for the month of December when retirement on the first or last
12 day of the month shall be allowed."

13 SECTION 4. This Act shall apply to any application for
14 ordinary disability retirement filed after its effective date.

15 SECTION 5. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 6. This Act shall take effect on July 1, 2006.

APPROVED this 13 day of JUN , 2006

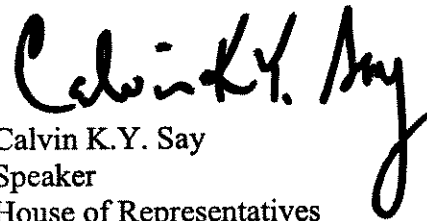


GOVERNOR OF THE STATE OF HAWAII

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 2, 2006
Honolulu, Hawaii

We hereby certify that the foregoing Bill on this day passed Final Reading in the House of Representatives of the Twenty-Third Legislature of the State of Hawaii, Regular Session of 2006.



Calvin K.Y. Say
Speaker
House of Representatives



Patricia Mau-Shimizu
Chief Clerk
House of Representatives

THE SENATE OF THE STATE OF HAWAII

Date: May 2, 2006
Honolulu, Hawaii

We hereby certify that the foregoing Bill on this day passed Final Reading in the Senate of the Twenty-Third Legislature of the State of Hawaii, Regular Session of 2006.



Robert Bunda
President of the Senate



Paul Kawaguchi
Clerk of the Senate