
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. Section 88-90, Hawaii Revised Statutes, is
2 amended to read as follows:
3 "**§88-90 Post retirement allowances.** (a) There shall be
4 payable to each person receiving any pension, annuity or
5 retirement allowance, a post retirement allowance which shall
6 consist of an amount equivalent to one and one-half per cent of
7 the monthly pension, annuity or retirement allowance as
8 originally computed, approved and paid. This benefit shall be
9 added to the monthly pension, annuity or retirement allowance on
10 the first day of July in each year following June 30, 1961, as
11 follows:

12 (1) To each person receiving a pension, annuity or
13 retirement allowance on June 30, 1961, payment of the
14 benefit shall commence on July 1, 1961, except that
15 after June 30, 1963, the monthly benefits payable
16 under this subsection shall be computed and paid on
17 the basis of the number of years that has elapsed
18 since the person entitled thereto first became the



1 recipient of the pension, annuity or retirement
2 allowance from which the benefit is derived.

3 (2) To each person first receiving a pension, annuity or
4 retirement allowance after June 30, 1961, payment of
5 the benefit shall commence on the first of July
6 following the calendar year in which the payment of
7 the pension, annuity or retirement allowance is
8 effective.

9 (b) After June 30, 1970, the post retirement allowance
10 shall consist of an amount equivalent to two and one-half per
11 cent of the monthly pension, annuity or retirement allowance as
12 originally computed and paid. This benefit shall be payable on
13 the first day of July in each year following June 30, 1970, as
14 follows:

15 (1) To each person, who on June 30, 1970, was receiving a
16 post retirement allowance as described under
17 subsection (a) hereof, payment of the benefit shall
18 commence on July 1, 1970.

19 (2) To each person first receiving a pension, annuity or
20 retirement allowance after December 31, 1968, payment
21 of the benefit shall commence on the first day of July
22 following the calendar year in which the payment of



1 the pension, annuity or retirement allowance is
2 effective.

3 (c) After June 30, 2005, the post retirement allowance
4 shall be increased by a percentage that increases in accordance
5 with a member's number of years of credited service and the
6 number of years the member has been retired. After ten years in
7 retirement, a member's post retirement allowance shall increase
8 every five years as follows:

	<u>Years In Retirement</u>	<u>Post Retirement Allowance</u>
10	<u>1 - 10</u>	<u>2.50%</u>
11	<u>11 - 15</u>	<u>2.75%</u>
12	<u>16 - 20</u>	<u>3.00%</u>
13	<u>21 - 25</u>	<u>3.25%</u>
14	<u>26 - 30</u>	<u>3.50%</u>
15	<u>31 - 35</u>	<u>4.00%</u>
16	<u>36 - 40</u>	<u>4.50%</u>
17	<u>41 - 45</u>	<u>5.00%</u>
18	<u>46 - 50</u>	<u>5.50%;</u>

19 provided that the member's post retirement allowance shall not
20 exceed the maximum post retirement allowance percentage
21 permitted, based upon the member's number of year's of credited
22 service, regardless of the number of years the member has been



1 retired. The maximum annual post retirement allowance for
2 members shall be as follows:

3	<u>Years of Credited Service</u>	<u>Maximum Post Retirement</u>
4	<u>Excluding Unused Sick Leave</u>	<u>Allowance</u>
5	<u>1 - 10</u>	<u>2.50%</u>
6	<u>11 - 15</u>	<u>2.75%</u>
7	<u>16 - 20</u>	<u>3.00%</u>
8	<u>21 - 25</u>	<u>3.25%</u>
9	<u>26 - 30</u>	<u>3.50%</u>
10	<u>31 - 35</u>	<u>4.00%</u>
11	<u>36 - 40</u>	<u>4.50%</u>
12	<u>41 - 45</u>	<u>5.00%</u>
13	<u>46 - 50</u>	<u>5.50%."</u>

14 SECTION 2. New statutory material is underscored.

15 SECTION 3. This Act shall take effect upon its approval.

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SB2206

Report Title:

Post Retirement Allowance; Increase

Description:

Provides for automatic post retirement allowance increases based upon the number of years of credited service and the number of years in retirement.

