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## A BILL FOR AN ACT

RELATING TO RETIREMENT ALLOWANCE.

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

1           SECTION 1. Section 88-74, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3           "(a) Upon retirement from service, a member shall receive  
4 a maximum retirement allowance as follows:

5           (1) If the member has attained age fifty-five, a  
6 retirement allowance of two per cent of the member's  
7 average final compensation multiplied by the total  
8 number of years of the member's credited service as a  
9 class A and B member, excluding any credited service  
10 as a judge, elective officer, or legislative officer,  
11 plus a retirement allowance of one and one-fourth per  
12 cent of the member's average final compensation  
13 multiplied by the total number of years of prior  
14 credited service as a class C member, plus a  
15 retirement allowance of two per cent of the member's  
16 average final compensation multiplied by the total  
17 number of years of prior credited service as a class H  
18 member; provided that:



- 1           (A) After June 30, 1968, if the member has at least  
2           ten years of credited service of which the last  
3           five or more years prior to retirement is  
4           credited service as a firefighter, police  
5           officer, or an investigator of the department of  
6           the prosecuting attorney;
- 7           (B) After June 30, 1977, if the member has at least  
8           ten years of credited service of which the last  
9           five or more years prior to retirement is  
10          credited service as a corrections officer;
- 11          (C) After June 16, 1981, if the member has at least  
12          ten years of credited service of which the last  
13          five or more years prior to retirement is  
14          credited service as an investigator of the  
15          department of the attorney general;
- 16          (D) After June 30, 1989, if the member has at least  
17          ten years of credited service of which the last  
18          five or more years prior to retirement is  
19          credited service as a narcotics enforcement  
20          investigator;
- 21          (E) After December 31, 1993, if the member has at  
22          least ten years of credited service of which the



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- last five or more years prior to retirement is credited service as a water safety officer;
- (F) After June 30, 1994, if the member has at least ten years of credited service, of which the last five or more years prior to retirement [~~are~~] is credited service as a public safety investigations staff investigator;
- (G) After June 30, 2002, if the member:
- (i) Has at least ten years of credited service as a firefighter;
  - (ii) Is deemed permanently medically disqualified due to a service related disability to be a firefighter by the employer's physician; and
  - (iii) Continues employment in a class A or B position other than a firefighter; and
- (H) After June 30, 2004, if the member:
- (i) Has at least ten years of credited service as a police officer;
  - (ii) Is deemed permanently medically disqualified due to a service related disability to be a police officer by the employer's physician; and



1           (iii) Continues employment in a class A or B  
2                           position other than a police officer;  
3           then for each year of service as a firefighter, police  
4           officer, corrections officer, investigator of the  
5           department of the prosecuting attorney, investigator  
6           of the department of the attorney general, narcotics  
7           enforcement investigator, water safety officer, or  
8           public safety investigations staff investigator, the  
9           retirement allowance shall be [~~two and one-half~~] three  
10          per cent of the member's average final compensation.  
11          The maximum retirement allowance for those members  
12          shall not exceed eighty per cent of the member's  
13          average final compensation. If the member has not  
14          attained age fifty-five, the member's retirement  
15          allowance shall be computed as though the member had  
16          attained age fifty-five, reduced for age as provided  
17          in subsection (b);  
18          (2) If the member has credited service as a judge, the  
19          member's retirement allowance shall be computed on the  
20          following basis:  
21                  (A) For a member who has credited service as a judge  
22                           before July 1, 1999, irrespective of age, for



1 each year of credited service as a judge, three  
2 and one-half per cent of the member's average  
3 final compensation in addition to an annuity that  
4 is the actuarial equivalent of the member's  
5 accumulated contributions allocable to the period  
6 of service; and

7 (B) For a member who first earned credited service as  
8 a judge after June 30, 1999, for each year of  
9 credited service as a judge, three and one-half  
10 per cent of the member's average final  
11 compensation in addition to an annuity that is  
12 the actuarial equivalent of the member's  
13 accumulated contributions allocable to the period  
14 of service. If the member has not attained age  
15 fifty-five, the member's retirement allowance  
16 shall be computed as though the member had  
17 attained age fifty-five, reduced for age as  
18 provided in subsection (b); or

19 (C) For a judge with other credited service, as  
20 provided in paragraph (1). If the member has not  
21 attained age fifty-five, the member's retirement  
22 allowance shall be computed as though the member



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1           had attained age fifty-five, reduced for age as  
2           provided in subsection (b); or

3           (D) For a judge with credited service as an elective  
4           officer or as a legislative officer, as provided  
5           in paragraph (3).

6           No allowance shall exceed seventy-five per cent of the  
7           member's average final compensation. If the allowance  
8           exceeds this limit, it shall be adjusted by reducing  
9           the annuity included in subparagraphs (A) and (B) and  
10          the portion of the accumulated contributions specified  
11          in the subparagraphs in excess of the requirements of  
12          the reduced annuity shall be returned to the member  
13          upon the member's retirement or paid to the member's  
14          designated beneficiary upon the member's death while  
15          in service or while on authorized leave without pay.

16          The allowance for judges under this paragraph,  
17          together with the retirement allowance provided by the  
18          federal government for similar service, shall in no  
19          case exceed seventy-five per cent of the member's  
20          average final compensation; or

21          (3) If the member has credited service as an elective  
22          officer or as a legislative officer, the member's



1 retirement allowance shall be derived by adding the  
2 allowances computed separately under subparagraphs  
3 (A), (B), (C), and (D) as follows:

4 (A) Irrespective of age, for each year of credited  
5 service as an elective officer, three and one-  
6 half per cent of the member's average final  
7 compensation as computed under section 88-  
8 81(e)(1), in addition to an annuity that is the  
9 actuarial equivalent of the member's accumulated  
10 contributions allocable to the period of service;  
11 and

12 (B) Irrespective of age, for each year of credited  
13 service as a legislative officer, three and one-  
14 half per cent of the member's average final  
15 compensation as computed under section 88-  
16 81(e)(2), in addition to an annuity that is the  
17 actuarial equivalent of the member's accumulated  
18 contributions allocable to the period of service;

19 (C) If the member has credited service as a judge,  
20 the member's retirement allowance shall be  
21 computed on the following basis:



- 1 (i) For a member who has credited service as a  
2 judge before July 1, 1999, irrespective of  
3 age, for each year of credited service as a  
4 judge, three and one-half per cent of the  
5 member's average final compensation as  
6 computed under section 88-81(e)(3), in  
7 addition to an annuity that is the actuarial  
8 equivalent of the member's accumulated  
9 contributions allocable to the period of  
10 service; and
- 11 (ii) For a member who first earned credited  
12 service as a judge after June 30, 1999, and  
13 has attained the age of fifty-five, for each  
14 year of credited service as a judge, three  
15 and one-half per cent of the member's  
16 average final compensation as computed under  
17 section 88-81(e)(3), in addition to an  
18 annuity that is the actuarial equivalent of  
19 the member's accumulated contributions  
20 allocable to the period of service. If the  
21 member has not attained age fifty-five, the  
22 member's retirement allowance shall be





1           computed as though the member had attained  
2           age fifty-five, reduced for age as provided  
3           in subsection (b); and

4           (D) For each year of credited service not included in  
5           subparagraph (A), (B), or (C), the average final  
6           compensation as computed under section 88-  
7           81(e)(4) shall be multiplied by two per cent for  
8           credited service earned as a class A or class H  
9           member, two and one-half per cent for credited  
10          service earned as a class B member, and one and  
11          one-quarter per cent for credited service earned  
12          as a class C member. If the member has not  
13          attained age fifty-five, the member's retirement  
14          allowance shall be computed as though the member  
15          had attained age fifty-five, reduced for age as  
16          provided in subsection (b).

17          The total retirement allowance shall not exceed  
18          seventy-five per cent of the member's highest average  
19          final compensation calculated under section 88-  
20          81(e)(1), (2), (3), or (4). If the allowance exceeds  
21          this limit, it shall be adjusted by reducing any  
22          annuity accrued under subparagraphs (A), (B), and (C)



1 and the portion of the accumulated contributions  
 2 specified in these subparagraphs in excess of the  
 3 requirements of the reduced annuity shall be returned  
 4 to the member upon the member's retirement or paid to  
 5 the member's designated beneficiary upon the member's  
 6 death while in service or while on authorized leave  
 7 without pay. If a member has service credit as an  
 8 elective officer or as a legislative officer in  
 9 addition to service credit as a judge, then the  
 10 retirement benefit calculation contained in this  
 11 paragraph shall supersede the formula contained in  
 12 paragraph (2)."

13 SECTION 2. Statutory material to be repealed is bracketed  
 14 and stricken. New statutory material is underscored.

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

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INTRODUCED BY: Tony White

Paul Chong  
 By: James  
 Calvin K. Song



**Report Title:**

Employees' Retirement System; Retirement Allowance

**Description:**

Increases the retirement allowance for certain public safety oriented positions under the state employees' retirement system from 2-1/2 to 3% for each year of credited service.

