
A BILL FOR AN ACT

RELATING TO ALLOWANCE ON SERVICE RETIREMENT.

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

1 SECTION 1. Section 88-21, Hawaii Revised Statutes, is
2 amended by adding a new definition to be appropriately inserted
3 and to read as follows:

4 "Police radio dispatcher" means any regularly employed
5 member of any county of the State whose principal duties are to
6 conduct police call taking and radio dispatching."

7 SECTION 2. Section 88-45, Hawaii Revised Statutes, is
8 amended to read as follows:

9 **"§88-45 Employee contributions.** After June 30, 1988, each
10 class A and class B member shall contribute seven and eight-
11 tenths per cent of the member's compensation to the annuity
12 savings fund; provided that after June 30, 1989, all
13 firefighters, police officers, corrections officers,
14 investigators of the departments of the prosecuting attorney and
15 of the attorney general, narcotics enforcement investigators,
16 water safety officers not making the election under section 88-
17 271, ~~and~~ public safety investigations staff investigators, and
18 police radio dispatchers, except for any police radio dispatcher



1 who elected not to become a class A member pursuant to Act ,
2 Session Laws of Hawaii 2008, shall contribute twelve and two-
3 tenths per cent of their compensation to the annuity savings
4 fund for service in that capacity."

5 SECTION 3. Section 88-47, Hawaii Revised Statutes, is
6 amended by amending subsection (a) to read as follows:

7 "(a) There shall be four classes of members in the system
8 to be known as class A, class B, class C, and class H, defined
9 as follows:

10 (1) Class A shall consist of:

11 (A) Judges, elected officials, and legislative
12 officers;

13 (B) Investigators of the department of the attorney
14 general, narcotics enforcement investigators,
15 water safety officers not making the election
16 under section 88-271, [~~and~~] public safety
17 investigations staff investigators[~~+~~], and police
18 radio dispatchers;

19 (C) Those members in service prior to July 1, 1984,
20 including those who are on approved leave of
21 absence, not making the election to become a



- 1 class C member as provided in part VII or to
2 become a class H member as provided in part VIII;
- 3 (D) The following members in service prior to
4 July 1, 2006, including those who are on approved
5 leave of absence, not making the election to
6 become a class H member as provided in part VIII:
- 7 (i) Members whose salaries are set forth in
8 sections 26-52 and 26-53 and their county
9 counterparts, managing directors or an
10 administrative assistant to the mayor, other
11 county department heads, and agency heads
12 appointed and subject to removal by the
13 mayor;
- 14 (ii) First deputies appointed by the county
15 attorney and prosecuting attorney;
- 16 (iii) The county clerk and deputy county clerk of
17 each county;
- 18 (iv) The directors of the offices of council
19 services of the county of Maui and the city
20 and county of Honolulu;
- 21 (v) The administrative director of the courts;



- 1 (vi) The deputy administrative director of the
2 courts;
- 3 (vii) The executive officer of the labor and
4 industrial relations appeals board; and
- 5 (viii) The executive officer of the Hawaii labor
6 relations board;
- 7 (E) All former class A retirants who return to
8 employment after June 30, 1984, requiring the
9 retirant's active membership; and
- 10 (F) All former class B retirants who return to
11 employment requiring the retirant's active
12 membership, except for:
- 13 (i) Former retirants who return in the positions
14 of police officer or firefighter;
- 15 (ii) Former retirants who were members on
16 July 1, 1957, who elected not to be covered
17 by the Social Security Act; and
- 18 (iii) Former retirants who were in positions to
19 which coverage under Title II of the Social
20 Security Act was not extended who entered
21 membership after June 30, 1957, but before
22 January 1, 2004;



- 1 (2) Class B shall consist of:
 - 2 (A) Police officers and firefighters, including
 - 3 former retirants who return to service in such
 - 4 capacity;
 - 5 (B) All employees, including former retirants, who
 - 6 were members on July 1, 1957, who elected not to
 - 7 be covered by the Social Security Act; and
 - 8 (C) All employees, including former retirants, in
 - 9 positions to which coverage under Title II of the
 - 10 Social Security Act is not extended, who enter
 - 11 membership after June 30, 1957, but before
 - 12 January 1, 2004, not making the election to
 - 13 become a class H member as provided in part VIII;
- 14 (3) Except for members described in paragraphs (1) and
- 15 (2), class C shall consist of all employees, not
- 16 making the election to become a class H member as
- 17 provided in part VIII, who:
 - 18 (A) First enter service after June 30, 1984, but
 - 19 before July 1, 2006;
 - 20 (B) Reenter service after June 30, 1984, but before
 - 21 July 1, 2006, without vested benefit status as
 - 22 provided in section 88-96(b);



- 1 (C) Make the election to become a class C member as
2 provided in part VII; [~~or~~]
- 3 (D) Are former class C retirants who return to
4 service requiring the retirant's active
5 membership; [~~and~~] or
- 6 (E) Any police radio dispatcher who elected not to
7 become a class A member pursuant to Act ,
8 Session Laws of Hawaii 2008;
- 9 and
- 10 (4) Except for members described in paragraphs (1) and
11 (2), class H shall consist of all employees who:
- 12 (A) First enter service after June 30, 2006;
- 13 (B) Reenter service after June 30, 2006, without
14 vested benefit status as provided in
15 section 88-96(b);
- 16 (C) Make the election to become a class H member as
17 provided in part VIII; or
- 18 (D) Are former class H retirants who return to
19 service requiring the retirant's active
20 membership."

21 SECTION 4. Section 88-74, Hawaii Revised Statutes, is
22 amended to read as follows:



1 "§88-74 Allowance on service retirement. (a) Upon
2 retirement from service, a member shall receive a maximum
3 retirement allowance as follows:

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

18 (A) After June 30, 1968, if the member has at least
19 ten years of credited service of which the last
20 five or more years prior to retirement is
21 credited service as a firefighter, police



1 officer, or an investigator of the department of
2 the prosecuting attorney;

3 (B) After June 30, 1977, if the member has at least
4 ten years of credited service of which the last
5 five or more years prior to retirement is
6 credited service as a corrections officer;

7 (C) After June 16, 1981, 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 an investigator of the
11 department of the attorney general;

12 (D) After June 30, 1989, if the member has at least
13 ten years of credited service of which the last
14 five or more years prior to retirement is
15 credited service as a narcotics enforcement
16 investigator;

17 (E) After December 31, 1993, if the member has at
18 least ten years of credited service of which the
19 last five or more years prior to retirement is
20 credited service as a water safety officer;

21 (F) After June 30, 1994, if the member has at least
22 ten years of credited service, of which the last



- 1 five or more years prior to retirement are
2 credited service as a public safety
3 investigations staff investigator;
- 4 (G) After June 30, 2002, if the member:
- 5 (i) Has at least ten years of credited service
6 as a firefighter;
- 7 (ii) Is deemed permanently medically disqualified
8 due to a service related disability to be a
9 firefighter by the employer's physician; and
- 10 (iii) Continues employment in a class A or B
11 position other than a firefighter; [~~and~~]
- 12 (H) After June 30, 2004, if the member:
- 13 (i) Has at least ten years of credited service
14 as a police officer;
- 15 (ii) Is deemed permanently medically disqualified
16 due to a service related disability to be a
17 police officer by the employer's physician;
18 and
- 19 (iii) Continues employment in a class A or B
20 position other than a police officer;
- 21 and



1 (I) After December 31, 2008, if the member has at
2 least ten years of credited service of which the
3 last five or more years prior to retirement is
4 credited service as a police radio dispatcher,
5 then for each year of service as a firefighter, police
6 officer, corrections officer, investigator of the
7 department of the prosecuting attorney, investigator
8 of the department of the attorney general, narcotics
9 enforcement investigator, water safety officer, police
10 radio dispatcher, or public safety investigations
11 staff investigator, the retirement allowance shall be
12 two and one-half per cent of the member's average
13 final compensation. The maximum retirement allowance
14 for those members shall not exceed eighty per cent of
15 the member's average final compensation. If the
16 member has not attained age fifty-five, the member's
17 retirement allowance shall be computed as though the
18 member had attained age fifty-five, reduced for age as
19 provided in subsection (b);

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



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



1 attained age fifty-five, the member's retirement
2 allowance shall be computed as though the member
3 had attained age fifty-five, reduced for age as
4 provided in subsection (b); or

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

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

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



- 1 (3) If the member has credited service as an elective
2 officer or as a legislative officer, the member's
3 retirement allowance shall be derived by adding the
4 allowances computed separately under subparagraphs
5 (A), (B), (C), and (D) as follows:
- 6 (A) Irrespective of age, for each year of credited
7 service as an elective officer, three and one-
8 half per cent of the member's average final
9 compensation as computed under section 88-
10 81(e)(1), in addition to an annuity that is the
11 actuarial equivalent of the member's accumulated
12 contributions allocable to the period of service;
13 and
- 14 (B) Irrespective of age, for each year of credited
15 service as a legislative officer, three and one-
16 half per cent of the member's average final
17 compensation as computed under section 88-
18 81(e)(2), in addition to an annuity that is the
19 actuarial equivalent of the member's accumulated
20 contributions allocable to the period of service;



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

4 (i) For a member who has credited service as a
5 judge before July 1, 1999, irrespective of
6 age, for each year of credited service as a
7 judge, three and one-half per cent of the
8 member's average final compensation as
9 computed under section 88-81(e)(3), in
10 addition to an annuity that is the actuarial
11 equivalent of the member's accumulated
12 contributions allocable to the period of
13 service; and

14 (ii) For a member who first earned credited
15 service as a judge after June 30, 1999, and
16 has attained the age of fifty-five, for each
17 year of credited service as a judge, three
18 and one-half per cent of the member's
19 average final compensation as computed under
20 section 88-81(e)(3), in addition to an
21 annuity that is the actuarial equivalent of
22 the member's accumulated contributions



1 allocable to the period of service. If the
2 member has not attained age fifty-five, the
3 member's retirement allowance shall be
4 computed as though the member had attained
5 age fifty-five, reduced for age as provided
6 in subsection (b); and

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

20 The total retirement allowance shall not exceed
21 seventy-five per cent of the member's highest average
22 final compensation calculated under section 88-



1 81(e)(1), (2), (3), or (4). If the allowance exceeds
2 this limit, it shall be adjusted by reducing any
3 annuity accrued under subparagraphs (A), (B), and (C)
4 and the portion of the accumulated contributions
5 specified in these subparagraphs in excess of the
6 requirements of the reduced annuity shall be returned
7 to the member upon the member's retirement or paid to
8 the member's designated beneficiary upon the member's
9 death while in service or while on authorized leave
10 without pay. If a member has service credit as an
11 elective officer or as a legislative officer in
12 addition to service credit as a judge, then the
13 retirement benefit calculation contained in this
14 paragraph shall supersede the formula contained in
15 paragraph (2).

16 (b) Except as provided in subsection (a), if a member has
17 not attained age fifty-five at the date of retirement, the
18 member's retirement allowance shall be reduced, for each month
19 the member's age at the date of retirement is below age fifty-
20 five, as follows:

21 (1) 0.4166 per cent for each month below age fifty-five
22 and above age forty-nine and eleven months; plus



1 (2) 0.3333 per cent for each month below age fifty and
2 above age forty-four and eleven months; plus
3 (3) 0.2500 per cent for each month below age forty-five
4 and above age thirty-nine and eleven months; plus
5 (4) 0.1666 per cent for each month below age forty;
6 provided that no reduction shall be made if the member has at
7 least twenty-five years of credited service as a firefighter,
8 police officer, corrections officer, investigator of the
9 department of the prosecuting attorney, investigator of the
10 department of the attorney general, narcotics enforcement
11 investigator, public safety investigations staff investigator,
12 sewer worker, police radio dispatcher, or water safety officer,
13 of which the last five or more years prior to retirement is
14 credited service in these capacities."

15 SECTION 5. (a) Notwithstanding any other law to the
16 contrary, police radio dispatchers who are in service prior to
17 January 1, 2008, may elect to convert their existing class A or
18 class C membership to the class A membership status provided for
19 in this Act; provided that the service credit of any member
20 electing such a conversion earned before January 1, 2008, shall
21 remain at the class level in which the service credit was
22 earned. An election indicating the option selected shall be



1 filed with the board of trustees prior to October 1, 2008. The
2 election filed with the board of trustees shall be irrevocable.

3 (b) All police radio dispatchers hired after December 31,
4 2008, shall be designated as class A members of the employees'
5 retirement system.

6 SECTION 6. For purposes of this Act, the amendment made to
7 section 88-122(e), Hawaii Revised Statutes by Act 256, Session
8 Laws of Hawaii 2007, section 3(2) prohibiting benefit
9 enhancements, including reduction of retirement age, when there
10 is an unfunded accrued liability, shall not apply.

11 SECTION 7. The revisor of statutes shall insert the number
12 of this Act after the word "Act" in sections 88-45 and 88-
13 47(a)(3)(E), Hawaii Revised Statutes.

14 SECTION 8. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 9. This Act shall take effect on July 1, 2050.



Report Title:

Employees' Retirement System; Police Radio Dispatchers

Description:

Makes police radio dispatchers class A members of the employees' retirement system. Exempts Act from prohibition against benefit enhancements, including reduction in retirement age when there is an unfunded liability established in section 88-122(e), HRS by Act 256, SLH 2007, section 3(2). (HB2849 HD1)

