
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 88-74, 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



1 last five or more years prior to retirement is
2 credited service as a water safety officer;

3 (F) After June 30, 1994, if the member has at least
4 ten years of credited service, of which the last
5 five or more years prior to retirement are
6 credited service as a public safety
7 investigations staff investigator;

8 (G) After June 30, 2002, if the member:

9 (i) Has at least ten years of credited service
10 as a firefighter;

11 (ii) Is deemed permanently medically disqualified
12 due to a service related disability to be a
13 firefighter by the employer's physician; and

14 (iii) Continues employment in a class A or B
15 position other than a firefighter; and

16 (H) After June 30, 2004, if the member:

17 (i) Has at least ten years of credited service
18 as a police officer;

19 (ii) Is deemed permanently medically disqualified
20 due to a service related disability to be a
21 police officer by the employer's physician;

22 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,
4 [~~police officer,~~] corrections officer, investigator of
5 the department of the prosecuting attorney,
6 investigator of the department of the attorney
7 general, narcotics enforcement investigator, water
8 safety officer, or public safety investigations staff
9 investigator, the retirement allowance shall be two
10 and one-half per cent of the member's average final
11 compensation~~[+]~~, and for each year of service as a
12 police officer, the retirement allowance shall be
13 per cent of the member's average final
14 compensation. The maximum retirement allowance for
15 those members shall not exceed eighty per cent of the
16 member's average final compensation. If the member
17 has not attained age fifty-five, the member's
18 retirement allowance shall be computed as though the
19 member had attained age fifty-five, reduced for age as
20 provided in subsection (b);



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

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

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



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

3 (C) For a judge with other credited service, as
4 provided in paragraph (1). If the member has not
5 attained age fifty-five, the member's retirement
6 allowance shall be computed as though the member
7 had attained age fifty-five, reduced for age as
8 provided in subsection (b); or

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

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

22 The allowance for judges under this paragraph,



1 together with the retirement allowance provided by the
2 federal government for similar service, shall in no
3 case exceed seventy-five per cent of the member's
4 average final compensation; or

5 (3) If the member has credited service as an elective
6 officer or as a legislative officer, the member's
7 retirement allowance shall be derived by adding the
8 allowances computed separately under subparagraphs
9 (A), (B), (C), and (D) as follows:

10 (A) Irrespective of age, for each year of credited
11 service as an elective officer, three and one-
12 half per cent of the member's average final
13 compensation as computed under section 88-
14 81(e)(1), in addition to an annuity that is the
15 actuarial equivalent of the member's accumulated
16 contributions allocable to the period of service;
17 and

18 (B) Irrespective of age, for each year of credited
19 service as a legislative officer, three and one-
20 half per cent of the member's average final
21 compensation as computed under section 88-
22 81(e)(2), in addition to an annuity that is the



1 actuarial equivalent of the member's accumulated
2 contributions allocable to the period of service;

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

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

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



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

9 and

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



1 The total retirement allowance shall not exceed seventy-
2 five per cent of the member's highest average final compensation
3 calculated under section 88-81(e)(1), (2), (3), or (4). If the
4 allowance exceeds this limit, it shall be adjusted by reducing
5 any annuity accrued under subparagraphs (A), (B), and (C) and
6 the portion of the accumulated contributions specified in these
7 subparagraphs in excess of the requirements of the reduced
8 annuity shall be returned to the member upon the member's
9 retirement or paid to the member's designated beneficiary upon
10 the member's death while in service or while on authorized leave
11 without pay. If a member has service credit as an elective
12 officer or as a legislative officer in addition to service
13 credit as a judge, then the retirement benefit calculation
14 contained in this paragraph shall supersede the formula
15 contained in paragraph (2)."

16 SECTION 2. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

18 SECTION 3. This Act shall take effect on July 1, 2059.



Report Title:

Employees Retirement; Public employee benefits.

Description:

Allows police officers a retirement allowance of an unspecified percent of the retirees average final compensation for each year of service as a police officer. Effective 07/01/2059. (HB3247 HD1)

