

JAN 22 2008

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# 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": any regularly employed member  
5 of any county of the State whose principal duties are to conduct  
6 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



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

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

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

11 (1) Class A shall consist of:

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

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

20 (C) Those members in service prior to July 1, 1984,  
21 including those who are on approved leave of  
22 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; and
- 9 (4) Except for members described in paragraphs (1) and  
10 (2), class H shall consist of all employees who:
- 11 (A) First enter service after June 30, 2006;
- 12 (B) Reenter service after June 30, 2006, without  
13 vested benefit status as provided in  
14 section 88-96(b);
- 15 (C) Make the election to become a class H member as  
16 provided in part VIII; [~~or~~]
- 17 (D) Are former class H retirants who return to  
18 service requiring the retirant's active  
19 membership[~~-~~]; or
- 20 (E) Any police radio dispatcher who elected to become  
21 a class H member as provided in part VIII but did



1                    not elect to become a class A member pursuant to  
2                    Act, Session Laws of Hawaii 2008."

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

5            "**§88-74 Allowance on service retirement.** Upon retirement  
6 from service, a member shall receive a maximum retirement  
7 allowance as follows:

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

3 (I) After December 31, 2005, if the member has at

4 least ten years of credited service of which the

5 last five or more years prior to retirement is

6 credited service as a police radio dispatcher;

7 then for each year of service as a firefighter, police

8 officer, corrections officer, investigator of the

9 department of the prosecuting attorney, investigator

10 of the department of the attorney general, narcotics

11 enforcement investigator, water safety officer, police

12 radio dispatcher, or public safety investigations

13 staff investigator, the retirement allowance shall be

14 two and one-half per cent of the member's average

15 final compensation. The maximum retirement allowance

16 for those members shall not exceed eighty per cent of

17 the member's average final compensation. If the

18 member has not attained age fifty-five, the member's

19 retirement allowance shall be computed as though the

20 member had attained age fifty-five, reduced in

21 accordance with factors of actuarial equivalence

22 adopted by the board upon the advice of the actuary;



1 provided that no reduction shall be made if the member  
2 has at least twenty-five years of credited service as  
3 a firefighter, police officer, police radio  
4 dispatcher, corrections officer, investigator of the  
5 department of the prosecuting attorney, investigator  
6 of the department of the attorney general, narcotics  
7 enforcement investigator, public safety investigations  
8 staff investigator, sewer worker, or water safety  
9 officer, of which the last five or more years prior to  
10 retirement is credited service in [~~such~~] those  
11 capacities;

- 12 (2) If the member has made voluntary additional  
13 contributions for the purchase of an additional  
14 annuity and has not applied for a refund as permitted  
15 by section 88-72, the member may accept the refund at  
16 the time of retirement or, in lieu thereof, receive in  
17 addition to the retirement allowance provided in  
18 paragraph (1), an annuity that is the actuarial  
19 equivalent of the additional contributions with  
20 regular interest;



1           (3) 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 [~~such~~] service[+] as a judge; 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 [~~such~~] service[-] as a judge. If the member  
20          has not attained age fifty-five, the member's  
21          retirement allowance shall be computed as though  
22          the member had attained age fifty-five, reduced



1           in accordance with factors of actuarial  
2           equivalence adopted by the board upon the advice  
3           of the actuary; or

4           (C) For a judge with other credited service, as  
5           provided in paragraphs (1) and (2). If the  
6           member has not attained age fifty-five, the  
7           member's retirement allowance shall be computed  
8           as though the member had attained age fifty-five,  
9           reduced in accordance with factors of actuarial  
10          equivalence adopted by the board upon the advice  
11          of the actuary; or

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

15          No allowance shall exceed seventy-five per cent of the  
16          member's average final compensation. If the allowance  
17          exceeds this limit, it shall be adjusted by reducing  
18          the annuity included in subparagraphs (A) and (B) and  
19          the portion of the accumulated contributions specified  
20          in the subparagraphs in excess of the requirements of  
21          the reduced annuity shall be returned to the member.

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 (4) 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  
12 one-half per cent of the member's average final  
13 compensation as computed under section  
14 88-81(e)(1), in addition to an annuity that is  
15 the actuarial equivalent of the member's  
16 accumulated contributions allocable to the period  
17 of service; and

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



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

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

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

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



1 section 88-81(e)(3), in addition to an  
2 annuity that is the actuarial equivalent of  
3 the member's accumulated contributions  
4 allocable to the period of [~~such~~] service[~~-~~]  
5 as a judge. If the member has not attained  
6 age fifty-five, the member's retirement  
7 allowance shall be computed as though the  
8 member had attained age fifty-five, reduced  
9 in accordance with factors of actuarial  
10 equivalence adopted by the board upon the  
11 advice of the actuary; and

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





1           had attained age fifty-five, reduced in  
2           accordance with factors of actuarial equivalence  
3           adopted by the board upon the advice of the  
4           actuary.

5           The total retirement allowance shall not exceed  
6           seventy-five per cent of the member's highest average  
7           final compensation calculated under section  
8           88-81(e) (1), (2), (3), or (4). If the allowance  
9           exceeds this limit, it shall be adjusted by reducing  
10          any annuity accrued under subparagraphs (A), (B), and  
11          (C) and the portion of the accumulated contributions  
12          specified in these subparagraphs in excess of the  
13          requirements of the reduced annuity shall be returned  
14          to the member. If a member has service credit as an  
15          elective officer or as a legislative officer in  
16          addition to service credit as a judge, then the  
17          retirement benefit calculation contained in this  
18          paragraph shall supersede the formula contained in  
19          paragraph (3)."

20          SECTION 5. (a) Notwithstanding any other law to the  
21          contrary, police radio dispatchers who are in service prior to  
22          January 1, 2005, may elect to convert their existing class A, C,



1 or H membership to the class A membership status provided for in  
 2 this Act; provided that the service credit of any member  
 3 electing such a conversion earned before January 1, 2005, shall  
 4 remain at the class level in which the service credit was  
 5 earned. An election indicating the option selected shall be  
 6 filed with the board of trustees prior to October 1, 2008. The  
 7 election filed with the board of trustees shall be irrevocable.

8 (b) All police radio dispatchers hired after December 31,  
 9 2008, shall be designated as class A members of the employees'  
 10 retirement system.

11 SECTION 6. 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, as amended by this Act.

14 SECTION 7. Statutory material to be repealed is bracketed  
 15 and stricken. New statutory material is underscored.

16 SECTION 8. This Act shall take effect upon its approval.

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INTRODUCED BY:

*Mike Gabbard*  
 \_\_\_\_\_  
*Will Espero*  
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**Report Title:**

Employees' Retirement System; Police Radio Dispatchers

**Description:**

Makes police radio dispatchers class A members of the Employees' Retirement System.

