

JAN 23 2008

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# 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 five  
13 per cent of the member's average final compensation.  
14 The maximum retirement allowance for those members  
15 shall not exceed eighty per cent of the member's  
16 average final compensation. If the member has not  
17 attained age fifty-five, the member's retirement  
18 allowance shall be computed as though the member had  
19 attained age fifty-five, reduced for age as provided  
20 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).



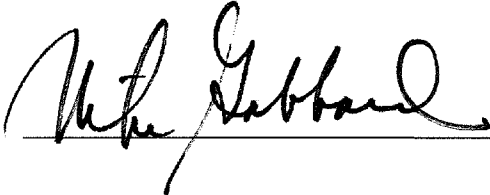
1           The total retirement allowance shall not exceed seventy-  
2 five per cent of the member's highest average final compensation  
3 calculated under section 88-81(e)(1), (2), (3), or (4). If the  
4 allowance exceeds this limit, it shall be adjusted by reducing  
5 any annuity accrued under 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 upon its approval.

19

INTRODUCED BY:

  
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**Report Title:**

Employees Retirement; Public employee benefits.

**Description:**

Allows police officers a retirement allowance of five percent of the retirees average final compensation for each year of service as a police officer.

