
A BILL FOR AN ACT

RELATING TO PUBLIC EMPLOYMENT.

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

1 SECTION 1. The purpose of this Act is to allow a public
2 employee to retire early without penalty under certain
3 circumstances.

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

6 "(b) Except as provided in subsection (a), if a member has
7 not attained age fifty-five at the date of retirement, the
8 member's retirement allowance shall be reduced, for each month
9 the member's age at the date of retirement is below age fifty-
10 five, as follows:

11 (1) 0.4166 per cent for each month below age fifty-five
12 and above age forty-nine and eleven months; plus

13 (2) 0.3333 per cent for each month below age fifty and
14 above age forty-four and eleven months; plus

15 (3) 0.2500 per cent for each month below age forty-five
16 and above age thirty-nine and eleven months; plus

17 (4) 0.1666 per cent for each month below age forty;

18 provided that no reduction shall be made if [~~the~~]:



1 (1) The member has at least twenty-five years of credited
2 service as a firefighter, police officer, corrections
3 officer, investigator of the department of the
4 prosecuting attorney, investigator of the department
5 of the attorney general, narcotics enforcement
6 investigator, public safety investigations staff
7 investigator, sewer worker, or water safety officer,
8 of which the last five or more years prior to
9 retirement is credited service in these capacities[-];
10 or

11 (2) The member has:

12 (A) At least twenty-five years of credited service;
13 and

14 (B) Retired from a civil service position:

15 (i) The salary for which was paid entirely from
16 the general fund on the day before the date
17 of retirement; and

18 (ii) The appointing authority for which agrees in
19 writing to leave the position vacant until
20 June 30, 2011, or fill the position with an
21 employee whose salary is not more than



1 seventy-five per cent of the retiring
2 member's last salary."

3 SECTION 3. Section 88-281, Hawaii Revised Statutes, is
4 amended by amending subsection (c) to read as follows:"

5 "(c) [A] Except as otherwise provided under section 88-
6 282(2), a member who has twenty years of credited service and
7 has attained age fifty-five shall be eligible to receive an
8 early retirement allowance reduced for age after the member has
9 terminated service."

10 SECTION 4. Section 282-282, Hawaii Revised Statutes, is
11 amended to read as follows:

12 "**§88-282 Service retirement allowance.** Upon retirement
13 from service, a member shall receive a retirement allowance as
14 follows:

15 (1) If the member has met the requirements in section 88-
16 281(a), (b), (d), or (e), a maximum retirement
17 allowance of one and one-fourth per cent of the
18 average final compensation multiplied by the number of
19 years of credited service; or

20 (2) If the member has met the requirements in section 88-
21 281(c), an early retirement allowance equal to the
22 maximum retirement allowance reduced by one-half per



1 cent for each month the member is less than age sixty-
2 two at retirement[-]; except that the early retirement
3 allowance shall not be reduced for a member who has:

4 (A) At least twenty years of credited service; and

5 (B) Retired from a civil service position:

6 (i) The salary for which was paid entirely from
7 the general fund on the day before the date
8 of retirement; and

9 (ii) The appointing authority for which agrees in
10 writing to leave the position vacant until
11 June 30, 2011, or fill the position with an
12 employee whose salary is not more than
13 seventy-five per cent of the retiring
14 member's last salary."

15 SECTION 5. Section 88-331, Hawaii Revised Statutes, is
16 amended by amending subsection (c) to read as follows:"

17 "(c) [A] Except as otherwise provided under section 88-
18 332(2), a class H member who has twenty years of credited
19 service and has attained age fifty-five shall be eligible to
20 receive an early retirement allowance reduced for age after the
21 member has terminated service."



1 SECTION 6. Section 88-332, Hawaii Revised Statutes, is
2 amended to read as follows:

3 **"§88-332 Service retirement allowance.** Upon retirement
4 from service, a class H member shall receive a maximum
5 retirement allowance as follows:

6 (1) If the member has met the requirements in section 88-
7 331(a), (b), or (d), a maximum retirement allowance of
8 two per cent of the average final compensation
9 multiplied by the number of years of class H credited
10 service, plus a retirement allowance at the rate of
11 one and one-fourth per cent of the member's average
12 final compensation multiplied by the number of years
13 of class C credited service; or

14 (2) If the member has met the requirements in section 88-
15 331(c), an early retirement allowance equal to the
16 maximum retirement allowance calculated as provided in
17 paragraph (1), reduced by 0.4166 per cent for each
18 month the member is less than age sixty-two at
19 retirement[-]; except that the allowance shall not be
20 reduced if the member has:

21 (A) At least twenty years of credited service; and

22 (B) Retired from a civil service position:



1 (i) The salary for which was paid entirely from
2 the general fund on the day before the date
3 of retirement; and

4 (ii) The appointing authority for which agrees in
5 writing to leave the position vacant until
6 June 30, 2011, or fill the position with an
7 employee whose salary is not more than
8 seventy-five per cent of the retiring
9 member's last salary."

10 SECTION 7. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 8. This Act shall take effect on July 1, 2009.

13

INTRODUCED BY: Calvin L. By
Kal Rhoads

JAN 23 2009



Report Title:

Public Employee; Early Retirement

Description:

Allows a public employee to retire early without penalty under certain circumstances.

