
A BILL FOR AN ACT

RELATING TO PUBLIC EMPLOYEES.

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

1 SECTION 1. The purpose of this Act is to allow active
2 members of the employees' retirement system to receive
3 additional retirement service credit for unused vacation leave
4 upon complying with certain conditions.

5 SECTION 2. Chapter 88, Hawaii Revised Statutes, is amended
6 by adding a new section to part II, subpart B, to be
7 appropriately designated and to read as follows:

8 "§88- Credit for unused vacation leave. (a) Except as
9 provided under subsection (f), an active member with unused
10 vacation leave on December 31 of a year shall be entitled to
11 additional service credit for the unused vacation leave if the
12 active member contributes to the system:

13 (1) An amount equal to the sum of the employer's
14 contribution and, if applicable, the active member's
15 employee contribution for service credit for the
16 period of the unused vacation leave, calculated upon
17 the active member's compensation on the relevant
18 December 31; plus



1 (2) An additional four per cent of the active member's
2 compensation on the relevant December 31.

3 (b) The board shall establish procedures, including
4 deadlines, for the application of an active member for the
5 additional service credit and payment of the active member's
6 contribution set by subsection (a). The board shall not be
7 required to establish the procedures by rulemaking under chapter
8 91.

9 (c) An active member shall not be required to apply for
10 additional service credit for all of the active member's unused
11 vacation leave on the relevant December 31. The active member
12 may apply for such credit for a portion of the unused vacation
13 leave.

14 (d) All of the active member's contribution for the unused
15 vacation leave credit shall be deemed "voluntary" for the
16 purpose of this chapter.

17 (e) The portion of the sum contributed by an active member
18 under subsection (a)(1) that equals the active member's employee
19 contribution shall be deposited into the annuity savings fund.

20 The portion of the sum contributed by an active member
21 under subsection (a)(1) that equals the employer's contribution
22 shall be deposited into the pension accumulation fund and deemed



1 an "employer's contribution" from the active member's employing
2 agency for the purpose of this chapter.

3 The contribution of an active member under subsection
4 (a)(2) shall be deposited into the pension accumulation fund and
5 deemed an "employer's contribution" from the active member's
6 employing agency for the purpose of this chapter. This
7 contribution shall be used to amortize the unfunded accrued
8 liability of the system.

9 (f) An active member shall not be entitled to any
10 additional service credit for unused vacation leave transferred
11 to the active member under a leave sharing program."

12 SECTION 3. New statutory material is underscored.

13 SECTION 4. This Act shall take effect upon its approval
14 and shall be repealed on December 31, 2011.

15

INTRODUCED BY: Calvin H. Say
JAN 26 2009



Report Title:

Employees' Retirement System; Additional Service Credit for
Unused Vacation Leave

Description:

Allows an active member of the employees' retirement system to
receive additional service credit for unused vacation leave upon
complying with certain conditions.

