
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. The purpose of this Act is to require that a
2 public employee who first enters into service after June 30,
3 2009 and thereafter retires shall pay the employee's
4 contribution for unused sick leave that is credited to the
5 employee upon retirement.

6 SECTION 2. Section 88-63, Hawaii Revised Statutes, is
7 amended to read as follows:

8 "~~[+]§88-63[+]~~ **Credit for unused sick leave.** (a) A public
9 employee who first enters service before July 1, 2009, and
10 thereafter retires or leaves government service in good standing
11 with sixty days or more of unused sick leave shall be ~~[entitled~~
12 ~~to]~~ credited with additional service credit in the retirement
13 system as follows:

14 (1) An employee with sixty days of unused sick leave to
15 the employee's credit shall have the employee's years
16 of service increased by three months for the purpose
17 of computing the employee's retirement allowance.



1 (2) For each additional twenty days or major fraction
2 thereof of unused sick leave in excess of sixty days
3 that the employee has to the employee's credit the
4 employee shall have the employee's years of service
5 increased by one month for the purpose of computing
6 the employee's retirement allowance.

7 The employee shall be credited with the additional service
8 credit without the necessity of making an employee contribution
9 to the system for the credit.

10 (b) A public employee who first enters government service
11 after June 30, 2009, and thereafter retires or leaves service in
12 good standing with sixty days or more of unused sick leave shall
13 be credited with additional service credit for the unused sick
14 leave in accordance with subsection (a)(1) and (2), if the
15 employee makes a contribution to the system for the credit.

16 (1) If the employee is a class A or B member, the employee
17 contribution shall be calculated by applying the
18 percentage under section 88-45 to the employee's
19 compensation for the period of the unused sick leave
20 sought to be credited.

21 (2) If the employee is a class H member, the employee
22 contribution shall be calculated by applying the



1 percentage under section 88-325 to the employee's
 2 compensation for the period of the unused sick leave
 3 sought to be credited.

4 A public employee who does not submit an application for
 5 the additional service credit or make the required contribution
 6 to the system by the applicable deadlines set by the board shall
 7 not be credited with the additional service credit.

8 (c) The allowance on service retirement of section 88-74
 9 and the service benefit limitation therein shall not apply to
 10 retirement allowances which exceed such limitations by virtue of
 11 the application of this section in the computation of retirement
 12 allowances and no reduction in such retirement allowances shall
 13 be made on account of such limitations."

14 SECTION 3. Statutory material to be repealed is bracketed.
 15 New statutory material is underscored.

16 SECTION 4. This Act shall take effect on July 1, 2009.

17

INTRODUCED BY: Calvin K. Day

JAN 28 2009

Report Title:

Employees' Retirement System; Unused Sick Leave Credit

Description:

Provides that an employee who first enters government service after 6/30/09 and thereafter retires or leaves service shall receive additional retirement service credit for unused sick leave only if the employee pays to the retirement system an employee's contribution for the credit.

