
A BILL FOR AN ACT

RELATING TO THE PAYMENT OF EMPLOYEES' RETIREMENT SYSTEM
BENEFITS.

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

1 SECTION 1. Section 88-6, Hawaii Revised Statutes, is
2 amended by amending subsection (a) read as follows:

3 "(a) Notwithstanding any other provision of this chapter:

4 (1) All retirees and beneficiaries of the state retirement
5 system or county pension funds shall be paid
6 semimonthly; [~~and effective January 1, 2003, all~~]
7 provided that:

8 (A) All retirees and beneficiaries of the state
9 retirement system who either retire or become
10 beneficiaries after January 1, 2003, shall be
11 paid monthly; and

12 (B) Effective July 1, 2011, all retirees and
13 beneficiaries of the state retirement system
14 shall be paid monthly; provided that this
15 subparagraph shall not apply to any retiree or
16 beneficiary who:



- 1 (i) Became a retiree or beneficiary prior to
2 January 1, 2003;
- 3 (ii) Is eighty years of age or older on January
4 1, 2011; and
- 5 (iii) Receives \$800 or less of pension benefits
6 each month; and
- 7 (2) Any ~~[retirant]~~ retiree or beneficiary of the state
8 retirement system whose benefit commences after June
9 30, 2001, shall designate a financial institution
10 account into which the system shall be authorized to
11 deposit their retirement benefit ~~[-]~~; and effective
12 April 1, 2011, all retirees and beneficiaries of the
13 state retirement system shall designate a financial
14 institution account into which the system shall be
15 authorized to deposit their state retirement system
16 benefits. This method of payment may be waived by the
17 system ~~[if another method is determined to be more~~
18 ~~appropriate]."~~

19 SECTION 2. The employees' retirement system of the State
20 of Hawaii shall provide for the transition from semimonthly
21 payments to monthly payments pursuant to this Act by adjusting



1 the dates on which the semimonthly payments are made between
2 January 2011 and June 2011.

3 SECTION 3. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 4. This Act shall take effect on January 1, 2011.

6



Report Title:

Employees' Retirement System; Payment; Direct Deposit

Description:

Provides for the payment of state retirement system benefits on a monthly basis by direct deposit to a financial institution account; requires the transition period from semimonthly payments to monthly payments to be implemented over a six-month period beginning in January 2011 and ending in June 2011; and exempts the switch from semimonthly to monthly payments for those retirants and beneficiaries who retired or became a beneficiary prior to 1/1/03, is at least 80 years of age by 1/1/2011, and receives \$800 or less of pension benefits each month. (CD1)

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