

---

---

# 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. Special retirement incentive benefit. (a)  
2   Beginning on July 1, 2012, and ending on June 30, 2015, any  
3   employee who meets the criteria under subsection (c) shall  
4   qualify for the special retirement benefit provided by this  
5   section. To receive the special retirement incentive benefit  
6   offered under this section, the employee shall comply with the  
7   application and time frame requirements specified in subsection  
8   (b).

9           (b) Any employee who elects to retire and receive the  
10   special retirement incentive benefit under this section shall  
11   notify the employee's employing department and file a formal  
12   application for retirement with the employees' retirement system  
13   not less than thirty days nor more than ninety days prior to the  
14   date of retirement.

15           (c) Notwithstanding the age and length of service  
16   requirements of sections 88-73, 88-281, and 88-331, Hawaii  
17   Revised Statutes, an employee member shall qualify for the  
18   special retirement incentive benefit if, on the employee's



1 retirement date, the employee has at least ten years of credited  
2 service as a contributory class A or B member, as a  
3 noncontributory class C member, or as a class H member, and is  
4 at least fifty-five years of age.

5 (d) Any employee who exercises the option of the special  
6 retirement incentive benefit under this section because the  
7 employee does not qualify with respect to the age and length of  
8 service requirements under sections 88-73, 88-281, and 88-331,  
9 Hawaii Revised Statutes, to receive a retirement benefit without  
10 penalty, shall not have the retirement benefit reduced in  
11 accordance with the actuarial formula normally used by the  
12 employees' retirement system for the calculation of early  
13 retirement benefits.

14 (e) The head of each affected department shall transmit a  
15 list of employees who elected and received the special  
16 retirement incentive benefit to the board of trustees of the  
17 employees' retirement system not less than thirty days but not  
18 more than ninety days prior to the employee's retirement date.

19 (f) The board of trustees of the employees' retirement  
20 system shall make payments with respect to all eligible  
21 employees who retire pursuant to this section. The board shall  
22 determine the portion of the additional actuarial present value



1 of benefits to be charged to the State based on retirements  
2 authorized under this section. If necessary, the State shall  
3 make additional payments to the employee's retirement system in  
4 the amounts required to amortize the additional actuarial  
5 present value of benefits over a period of five years. The  
6 unfunded actuarial present values of benefits payable under this  
7 section are part of the unfunded accrued liability of the  
8 employees' retirement system under sections 88-122 and 88-123,  
9 Hawaii Revised Statutes.

10 SECTION 2. No employee who has received any benefit under  
11 this Act shall be reemployed by the State in any capacity unless  
12 all benefits derived from the specific retirement incentive  
13 benefit under section 1, as determined by the board of trustees  
14 of the employees' retirement system, are forfeited prior to the  
15 commencement of reemployment.

16 SECTION 3. After payments of all costs associated with the  
17 special retirement incentive benefits, the remaining payroll  
18 balances shall not be expended for any purpose and shall be  
19 lapsed into the appropriate fund from which the retiring  
20 employee's salary or wages is paid.

21 SECTION 4. The head of each affected state department who  
22 provided benefits under this Act shall transmit a list that



1 includes each employee who received benefits under this Act and  
2 the benefit received by the employee to the directors of finance  
3 and human resources development.

4 SECTION 5. The departments of human resources development  
5 and budget and finance shall develop and administer guidelines  
6 and deadlines for participating agencies to implement the  
7 special retirement incentive benefits under this Act.

8 SECTION 6. This Act shall take effect on July 1, 2011, and  
9 shall be repealed on June 30, 2015.

10

INTRODUCED BY:

*James W. Okey* BR  
JAN 26 2011



**Report Title:**

ERS; Early Retirement

**Description:**

Temporarily allows members of the ERS with 10 or more years of service and are at least 55 years of age to retire without penalty.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

