
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. Chapter 88, Hawaii Revised Statutes, is amended
2 by adding a new section to subpart C of part II to be
3 appropriately designated and to read as follows:

4 "§88- Forfeiture of benefits; felony convictions. (a)

5 If a member, former member, or retirant is convicted of a felony
6 and the court finds that the felony is related to the employment
7 of the member, former member, or retirant by the State or any
8 county, the court may decree, as a civil penalty pursuant to
9 section 706-605(8), a forfeiture by the member, former member,
10 or retirant of all or a portion of any interest; hypothetical
11 account balance in excess of the amount representing any
12 employee contributions made by or on behalf of the member,
13 former member, or retirant; pension; annuity; or retirement
14 allowance to which the member, former member, or retirant may
15 otherwise be entitled under this chapter; provided that upon the
16 death of the member, former member, or retirant, the designated
17 beneficiary of the member, former member, or retirant may



1 receive benefits to which such beneficiary would otherwise be
2 entitled under this chapter.

3 (b) Upon receipt of a certified copy of the order
4 decreeing forfeiture, the system shall comply with the order and
5 shall reduce, suspend, or deny payment to the member, former
6 member, or retirant as provided in the order until such time as
7 the system receives a certified order to:

8 (1) Increase, resume, or make payments to the member,
9 former member, or retirant; or

10 (2) Quash or reverse the decree of forfeiture.

11 The system shall not be required to make inquiry into the
12 propriety of the order decreeing forfeiture or recoup any
13 payments made to the member, former member, or retirant prior to
14 receipt by the system of the order decreeing forfeiture.

15 (c) For the purposes of this section, a felony is "related
16 to the employment" of an employee of the State or a county if
17 the employee uses or attempts to use the employee's official
18 position to commit the felony, including:

19 (1) Felonies in which state or county time, equipment, or
20 other facilities are used in the commission of the
21 felony;

22 (2) Bribery;



1 (3) Embezzlement, theft, or other unlawful taking,
2 receiving, retaining, or failing to account properly
3 for, any property or funds that belong to the State or
4 any county or any department, bureau, board, or other
5 agency thereof; or

6 (4) A felony committed against a person over whom the
7 employee, in the course of the employee's duties,
8 exercises custody or supervision.

9 (d) This section shall not impair or diminish benefits
10 accrued prior to the effective date of this section.

11 (e) This section shall not apply to accrued retirement
12 benefits that are non-forfeitable pursuant to sections 88-73(f),
13 88-281(g), and 88-331(f)."

14 SECTION 2. New statutory material is underscored.

15 SECTION 3. This Act shall take effect on July 1, 2050.



Report Title:

Employees' Retirement System; Retirement Benefits; Felony Convictions; Forfeiture

Description:

Allows the court to decree a forfeiture by the member, former member, or retirant of all or a portion of any interest, hypothetical account balance (in excess of the amount representing any employee contributions made by or on behalf of the member, former member, or retirant), pension, annuity, or retirement allowance that the member, former member, or retirant may otherwise be entitled to if a member, former member, or retirant is convicted of a felony and the court finds that the felony is related to the employment of the member, former member, or retirant by the State or any county. Requires the employees' retirement system to comply with the court order and suspend or deny payment to the member, former member, or retirant as provided in the order. Effective 07/01/2050. (SD2)

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