
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. Section 88-74, Hawaii Revised Statutes, is
2 amended as follows:
- 3 1. By amending subsections (c) and (d) to read:
- 4 "(c) If a member, who became a member prior to July 1,
5 2012, has credited service as a judge, the member's retirement
6 allowance shall be computed on the following basis:
- 7 (1) For a member who has credited service as a judge
8 before July 1, 1999, irrespective of age, for each
9 year of credited service as a judge, three and one-
10 half per cent of the member's average final
11 compensation in addition to an annuity that is the
12 actuarial equivalent of the member's accumulated
13 contributions allocable to the period of service;
- 14 (2) For a member who first earned credited service as a
15 judge after June 30, 1999, but before July 1, 2012,
16 for each year of credited service as a judge, three
17 and one-half per cent of the member's average final



1 compensation in addition to an annuity that is the
 2 actuarial equivalent of the member's accumulated
 3 contributions allocable to the period of service. If
 4 the member has not attained age fifty-five, the
 5 member's retirement allowance shall be computed as
 6 though the member had attained age fifty-five, reduced
 7 for age as provided in subsection (e);

8 (3) For a member who first earned credited service as a
 9 judge after June 30, 2012, but before July 1, 2016,
 10 for each year of credited service as a judge, three
 11 per cent of the member's average final compensation in
 12 addition to an annuity that is the actuarial
 13 equivalent of the member's accumulated contributions
 14 allocable to the period of service. If the member has
 15 not attained age sixty, the member's retirement
 16 allowance shall be computed as though the member had
 17 attained age sixty, reduced for age as provided in
 18 subsection (i);

19 (4) For a member who first earned credited service as a
 20 judge after June 30, 2016, for each year of credited
 21 service as a judge, two per cent of the member's



1 average final compensation in addition to an annuity
2 that is the actuarial equivalent of the member's
3 accumulated contributions allocable to the period of
4 service. If the member has not attained age sixty,
5 the member's retirement allowance shall be computed as
6 though the member had attained sixty, reduced for age
7 as provided in subsection (i);

8 (5) For a member described in paragraphs (1), (2), or (3),
9 who is reappointed or appointed to a different court
10 by and with the advice and consent of the senate after
11 June 30, 2016, in addition to an annuity that is the
12 actuarial equivalent of the member's accumulated
13 contributions allocable to the period of service:

14 (A) For credited service as a judge prior to
15 reappointment or appointment to a different
16 court, as provided in paragraph (1), (2), or (3),
17 respectively; and

18 (B) For each year of credited service as a judge
19 after reappointment or appointment to a different
20 court, two per cent of the member's average final
21 compensation.



1 If the member has not attained the applicable age for
 2 an unreduced retirement allowance under paragraph (1),
 3 (2), or (3), the member's retirement allowance shall
 4 be computed as though the member had attained the age
 5 for an unreduced retirement allowance, reduced for age
 6 as provided in subsection (e) or (i), as applicable;

7 ~~[(4)]~~ (6) For a judge with other credited service, as
 8 provided in subsection (b). If the member has not
 9 attained age fifty-five, the member's retirement
 10 allowance shall be computed as though the member had
 11 attained age fifty-five, reduced for age as provided
 12 in subsection (e); or

13 ~~[(5)]~~ (7) For a judge with credited service as an elective
 14 officer or as a legislative officer, as provided in
 15 subsection (d).

16 No allowance shall exceed seventy-five per cent of the member's
 17 average final compensation. If the allowance exceeds this
 18 limit, it shall be adjusted by reducing the annuity included in
 19 paragraphs (1), (2), ~~[and]~~ (3), (4), and (5) and the portion of
 20 the accumulated contributions specified in paragraphs (1), (2),
 21 ~~[and]~~ (3), (4), and (5) in excess of the requirements of the



1 reduced annuity shall be returned to the member upon the
2 member's retirement or paid to the member's designated
3 beneficiary upon the member's death while in service or while on
4 authorized leave without pay. The allowance for judges under
5 this subsection, together with the retirement allowance provided
6 by the federal government for similar service, shall in no case
7 exceed seventy-five per cent of the member's average final
8 compensation.

9 (d) If a member, who became a member before July 1, 2012,
10 has credited service as an elective officer or as a legislative
11 officer, the member's retirement allowance shall be derived by
12 adding the allowances computed separately under paragraphs (1),
13 (2), (3), (4), (5), and (6) as follows:

14 (1) For a member who has credited service as an elective
15 officer before July 1, 2012, irrespective of age, for
16 each year of credited service as an elective officer,
17 three and one-half per cent of the member's average
18 final compensation as computed under section 88-
19 81(e)(1), in addition to an annuity that is the
20 actuarial equivalent of the member's accumulated
21 contributions allocable to the period of service;



- 1 (2) For a member, who first earned credited service as an
2 elective officer after June 30, 2012, irrespective of
3 age, for each year of credited service as an elective
4 officer, three per cent of the member's average final
5 compensation as computed under section 88-81(e)(1), in
6 addition to an annuity that is the actuarial
7 equivalent of the member's accumulated contributions
8 allocable to the period of service;
- 9 (3) For a member who has credited service as a legislative
10 officer before July 1, 2012, irrespective of age, for
11 each year of credited service as a legislative
12 officer, three and one-half per cent of the member's
13 average final compensation as computed under section
14 88-81(e)(2), in addition to an annuity that is the
15 actuarial equivalent of the member's accumulated
16 contributions allocable to the period of service;
- 17 (4) For a member who first earned credited service as a
18 legislative officer after June 30, 2012, irrespective
19 of age, for each year of credited service as a
20 legislative officer, three per cent of the member's
21 average final compensation as computed under section



1 88-81(e)(2), in addition to an annuity that is the
2 actuarial equivalent of the member's accumulated
3 contributions allocable to the period of service;

4 (5) [~~If the~~] For a member who has credited service as a
5 judge [~~, the member's retirement allowance shall be~~
6 ~~computed on the following basis~~]:

7 (A) For a member who has credited service as a judge
8 before July 1, 1999, irrespective of age, for
9 each year of credited service as a judge, three
10 and one-half per cent of the member's average
11 final compensation as computed under section 88-
12 81(e)(3), in addition to an annuity that is the
13 actuarial equivalent of the member's accumulated
14 contributions allocable to the period of service;

15 (B) For a member who first earned credited service as
16 a judge after June 30, 1999, but before July 1,
17 2012, and has attained the age of fifty-five, for
18 each year of credited service as a judge, three
19 and one-half per cent of the member's average
20 final compensation as computed under section 88-
21 81(e)(3), in addition to an annuity that is the



1 actuarial equivalent of the member's accumulated
2 contributions allocable to the period of service.
3 If the member has not attained age fifty-five,
4 the member's retirement allowance shall be
5 computed as though the member had attained age
6 fifty-five, reduced for age as provided in
7 subsection (e); and
8 (C) For a member who first earned credited service as
9 a judge after June 30, 2012, but before July 1,
10 2016, and has attained the age of sixty, for each
11 year of credited service as a judge, three per
12 cent of the member's average final compensation
13 as computed under section 88-81(e)(3), in
14 addition to an annuity that is the actuarial
15 equivalent of the member's accumulated
16 contributions allocable to the period of service.
17 If the member has not attained age sixty, the
18 member's retirement allowance shall be computed
19 as though the member had attained age sixty,
20 reduced for age as provided in subsection (i);
21 [~~and~~]



- 1 (D) For a member who first earned credited service as
2 a judge after June 30, 2016, and has attained the
3 age of sixty, for each year of credited service
4 as a judge, two per cent of the member's average
5 final compensation in addition to an annuity that
6 is the actuarial equivalent of the member's
7 accumulated contributions allocable to the period
8 of service. If the member has not attained age
9 sixty, the member's retirement allowance shall be
10 computed as though the member had attained sixty,
11 reduced for age as provided in subsection (i);
- 12 (E) For a member described in subparagraphs (A), (B),
13 or (C), who is reappointed or appointed to a
14 different court by and with the advice and
15 consent of the senate after June 30, 2016, in
16 addition to an annuity that is the actuarial
17 equivalent of the member's accumulated
18 contributions allocable to the period of service:
- 19 (i) For credited service as a judge prior to
20 reappointment or appointment to a different



1 court, as provided in paragraph (1), (2), or
2 (3), respectively; and
3 (ii) For each year of credited service as a judge
4 after reappointment or appointment to a
5 different court, two per cent of the
6 member's average final compensation. If the
7 member has not attained the applicable age
8 for an unreduced retirement allowance under
9 subparagraph (A), (B), or (C), the member's
10 retirement allowance shall be computed as
11 though the member had attained the age for
12 an unreduced retirement allowance, reduced
13 for age as provided in subsection (e) or
14 (i), as applicable;
15 (6) For each year of credited service not included in
16 paragraph (1), (2), (3), (4), or (5), the average
17 final compensation as computed under section 88-
18 81(e)(4) shall be multiplied by two per cent for
19 credited service earned as a class A or class H
20 member, two and one-half per cent for credited service
21 earned as a class B member, and one and one-quarter



1 per cent for credited service earned as a class C
2 member. If the member has not attained age fifty-
3 five, the member's retirement allowance shall be
4 computed as though the member had attained age fifty-
5 five, reduced for age as provided in subsection (e).
6 The total retirement allowance shall not exceed seventy-five per
7 cent of the member's highest average final compensation
8 calculated under section 88-81(e) (1), (2), (3), or (4). If the
9 allowance exceeds this limit, it shall be adjusted by reducing
10 any annuity accrued under paragraphs (1), (2), (3), (4), and (5)
11 and the portion of the accumulated contributions specified in
12 these paragraphs in excess of the requirements of the reduced
13 annuity shall be returned to the member upon the member's
14 retirement or paid to the member's designated beneficiary upon
15 the member's death while in service or while on authorized leave
16 without pay. If a member has service credit as an elective
17 officer or as a legislative officer in addition to service
18 credit as a judge, then the retirement benefit calculation
19 contained in this subsection shall supersede the formula
20 contained in subsection (c)."

21 2. By amending subsections (g) and (h) to read:



1 "(g) If a member, who becomes a member after June 30,
2 2012, has credited service as a judge, the member's retirement
3 allowance shall be computed on the following basis:

4 (1) For a member who first earned credited service as a
5 judge before July 1, 2016, for each year of credited
6 service as a judge, three per cent of the member's
7 average final compensation in addition to an annuity
8 that is the actuarial equivalent of the member's
9 accumulated contributions allocable to the period of
10 service. If the member has not attained age sixty,
11 the member's retirement allowance shall be computed as
12 though the member had attained age sixty, reduced for
13 age as provided in subsection (i);

14 (2) For a member who first earned credited service as a
15 judge after June 30, 2016, for each year of credited
16 service as a judge, two per cent of the member's
17 average final compensation in addition to an annuity
18 that is the actuarial equivalent of the member's
19 accumulated contributions allocable to the period of
20 service. If the member has not attained age sixty,
21 the member's retirement allowance shall be computed as



- 1 though the member had attained sixty, reduced for age
2 as provided in subsection (i);
- 3 (3) For a member described in paragraph (1), who is
4 reappointed or appointed to a different court by and
5 with the advice and consent of the senate after June
6 30, 2016, in addition to an annuity that is the
7 actuarial equivalent of the member's accumulated
8 contributions allocable to the period of service:
- 9 (A) For credited service as a judge prior to
10 reappointment or appointment to a different
11 court, as provided in paragraph (1); and
- 12 (B) For each year of credited service as a judge
13 after reappointment or appointment to a different
14 court, two per cent of the member's average final
15 compensation.
- 16 If the member has not attained age sixty, the member's
17 retirement allowance shall be computed as though the
18 member had attained age sixty, reduced for age as
19 provided in subsection (i);
- 20 ~~(2)~~ (4) For a judge with other credited service, as
21 provided in subsection (f). If the member has not



1 attained age sixty, the member's retirement allowance
2 shall be computed as though the member had attained
3 age sixty, reduced for age as provided in subsection
4 (i); and

5 ~~[(3)]~~ (5) For a judge with credited service as an elective
6 officer or as a legislative officer, as provided in
7 subsection (h).

8 No allowance shall exceed seventy-five per cent of the member's
9 average final compensation. If the allowance exceeds this
10 limit, it shall be adjusted by reducing the annuity included in
11 paragraph (1), (2), or (3) and the portion of the accumulated
12 contributions specified in paragraph (1), (2), or (3) in excess
13 of the requirements of the reduced annuity shall be returned to
14 the member upon the member's retirement or paid to the member's
15 designated beneficiary upon the member's death while in service
16 or while on authorized leave without pay. The allowance for
17 judges under this subsection, together with the retirement
18 allowance provided by the federal government for similar
19 service, shall in no case exceed seventy-five per cent of the
20 member's average final compensation.



1 (h) If a member, who becomes a member after June 30, 2012,
2 has credited service as an elective officer or as a legislative
3 officer, the member's retirement allowance shall be derived by
4 adding the allowances computed separately under paragraphs (1),
5 (2), (3), and (4) as follows:

6 (1) Irrespective of age, for each year of credited service
7 as an elective officer, three per cent of the member's
8 average final compensation as computed under section
9 88-81(f)(1), in addition to an annuity that is the
10 actuarial equivalent of the member's accumulated
11 contributions allocable to the period of service;

12 (2) Irrespective of age, for each year of credited service
13 as a legislative officer, three per cent of the
14 member's average final compensation as computed under
15 section 88-81(f)(2), in addition to an annuity that is
16 the actuarial equivalent of the member's accumulated
17 contributions allocable to the period of service;

18 (3) For ~~[each year of]~~ a member who has credited service
19 as a judge [7]:

20 (A) For a member who first earned credited service as
21 a judge before July 1, 2016, three per cent of



1 the member's average final compensation as
2 computed under section 88-81(f)(3), in addition
3 to an annuity that is the actuarial equivalent of
4 the member's accumulated contributions allocable
5 to the period of service. If the member has not
6 attained age sixty, the member's retirement
7 allowance shall be computed as though the member
8 had attained age sixty, reduced for age as
9 provided in subsection (i); [~~and~~]

10 (B) For a member who first earned credited service as
11 a judge after June 30, 2016, for each year of
12 credited service as a judge, two per cent of the
13 member's average final compensation in addition
14 to an annuity that is the actuarial equivalent of
15 the member's accumulated contributions allocable
16 to the period of service. If the member has not
17 attained age sixty, the member's retirement
18 allowance shall be computed as though the member
19 had attained sixty, reduced for age as provided
20 in subsection (i);



1 (C) For a member described in subparagraph (A), who
2 is reappointed or appointed to a different court
3 by and with the advice and consent of the senate
4 after June 30, 2016, in addition to an annuity
5 that is the actuarial equivalent of the member's
6 accumulated contributions allocable to the period
7 of service:

8 (i) For credited service as a judge prior to
9 reappointment or appointment to a different
10 court, as provided in subparagraph (A); and

11 (ii) For each year of credited service as a judge
12 after reappointment or appointment to a
13 different court, two per cent of the
14 member's average final compensation. If the
15 member has not attained age sixty, the
16 member's retirement allowance shall be
17 computed as though the member had attained
18 age sixty, reduced for age as provided in
19 subsection (i);

20 (4) For each year of credited service not included in
21 paragraph (1), (2), or (3), the average final



1 compensation as computed under section 88-81(f) (4)
2 shall be multiplied by one and three-fourth per cent
3 for credited service earned as a class A or class H
4 member, two and one-fourth per cent for credited
5 service earned as a class B member, and one and
6 one-fourth per cent for credited service earned as a
7 class C member. If the member has not attained age
8 sixty, the member's retirement allowance shall be
9 computed as though the member had attained age sixty,
10 reduced for age as provided in subsection (i).

11 The total retirement allowance shall not exceed seventy-five per
12 cent of the member's highest average final compensation
13 calculated under section 88-81(f) (1), (2), (3), or (4). If the
14 allowance exceeds this limit, it shall be adjusted by reducing
15 any annuity accrued under paragraphs (1), (2), and (3) and the
16 portion of the accumulated contributions specified in these
17 paragraphs in excess of the requirements of the reduced annuity
18 shall be returned to the member upon the member's retirement or
19 paid to the member's designated beneficiary upon the member's
20 death while in service or while on authorized leave without pay.
21 If a member has service credit as an elective officer or as a



1 legislative officer in addition to service credit as a judge,
2 then the retirement benefit calculation contained in this
3 subsection shall supersede the formula contained in subsection
4 (g)."

5 SECTION 2. This Act does not affect rights and duties that
6 matured, penalties that were incurred, and proceedings that were
7 begun before its effective date.

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

10 SECTION 4. This Act shall take effect on July 1, 2016.



Report Title:

ERS; Judges

Description:

Reduces the benefit multiplier for judges who become judges, are reappointed, or promoted after June 30, 2016. (HB2006 HD1)

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

