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## 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 to read as follows:

3           "§88-74 Allowance on service retirement. (a) Upon  
4 retirement from service, a member shall receive a maximum  
5 retirement allowance as provided in this section.

6           (b) If a member, who became a member before July 1, 2012,  
7 has attained age fifty-five, the member's maximum retirement  
8 allowance shall be two per cent of the member's average final  
9 compensation multiplied by the total number of years of the  
10 member's credited service as a class A and class B member,  
11 excluding any credited service as a judge, elective officer, or  
12 legislative officer, plus a retirement allowance of one and one-  
13 fourth per cent of the member's average final compensation  
14 multiplied by the total number of years of prior credited  
15 service as a class C member, plus a retirement allowance of two  
16 per cent of the member's average final compensation multiplied



1 by the total number of years of prior credited service as a  
2 class H member; provided that:

3 (1) After June 30, 1968, if the member has at least ten  
4 years of credited service of which the last five or  
5 more years prior to retirement is credited service as  
6 a firefighter, police officer, or an investigator of  
7 the department of the prosecuting attorney;

8 (2) After June 30, 1977, if the member has at least ten  
9 years of credited service of which the last five or  
10 more years prior to retirement is credited service as  
11 a corrections officer;

12 (3) After June 16, 1981, if the member has at least ten  
13 years of credited service of which the last five or  
14 more years prior to retirement is credited service as  
15 an investigator of the department of the attorney  
16 general;

17 (4) After June 30, 1989, if the member has at least ten  
18 years of credited service of which the last five or  
19 more years prior to retirement is credited service as  
20 a narcotics enforcement investigator;



1           (5) After December 31, 1993, if the member has at least  
2           ten years of credited service of which the last five  
3           or more years prior to retirement is credited service  
4           as a water safety officer;

5           (6) After June 30, 1994, if the member has at least ten  
6           years of credited service, of which the last five or  
7           more years prior to retirement are credited service as  
8           a public safety investigations staff investigator;

9           (7) After June 30, 2002, if the member:

10           (A) Has at least ten years of credited service as a  
11           firefighter;

12           (B) Is deemed permanently medically disqualified due  
13           to a service related disability to be a  
14           firefighter by the employer's physician; and

15           (C) Continues employment in a class A or B position  
16           other than a firefighter; and

17           (8) After June 30, 2004, if the member:

18           (A) Has at least ten years of credited service as a  
19           police officer;



1           (B) Is deemed permanently medically disqualified due  
2           to a service related disability to be a police  
3           officer by the employer's physician; and

4           (C) Continues employment in a class A or B position  
5           other than a police officer;

6 then for each year of service as a firefighter, police officer,  
7 corrections officer, investigator of the department of the  
8 prosecuting attorney, investigator of the department of the  
9 attorney general, narcotics enforcement investigator, water  
10 safety officer, or public safety investigations staff

11 investigator, the retirement allowance shall be two and one-half  
12 per cent of the member's average final compensation. The  
13 maximum retirement allowance for those members shall not exceed  
14 eighty per cent of the member's average final compensation. If  
15 the member has not attained age fifty-five, the member's  
16 retirement allowance shall be computed as though the member had  
17 attained age fifty-five, reduced for age as provided in  
18 subsection (e).

19           (c) If a member, who became a member prior to July 1,  
20 2012, has credited service as a judge, the member's retirement  
21 allowance shall be computed on the following basis:



- 1           (1) For a member who has credited service as a judge  
2           before July 1, 1999, irrespective of age, for each  
3           year of credited service as a judge, three and one-  
4           half per cent of the member's average final  
5           compensation in addition to an annuity that is the  
6           actuarial equivalent of the member's accumulated  
7           contributions allocable to the period of service;
- 8           (2) For a member who first earned credited service as a  
9           judge after June 30, 1999, but before July 1, 2012,  
10          for each year of credited service as a judge, three  
11          and one-half per cent of the member's average final  
12          compensation in addition to an annuity that is the  
13          actuarial equivalent of the member's accumulated  
14          contributions allocable to the period of service. If  
15          the member has not attained age fifty-five, the  
16          member's retirement allowance shall be computed as  
17          though the member had attained age fifty-five, reduced  
18          for age as provided in subsection (e);
- 19          (3) For a member who first earned credited service as a  
20          judge after June 30, 2012, for each year of credited  
21          service as a judge, three 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 age sixty, reduced for  
7 age as provided in subsection (i);

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

14 (5) For a judge with credited service as an elective  
15 officer or as a legislative officer, as provided in  
16 subsection (d).

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



1 excess of the requirements of the reduced annuity shall be  
2 returned to the member upon the member's retirement or paid to  
3 the member's designated beneficiary upon the member's death  
4 while in service or while on authorized leave without pay. The  
5 allowance for judges under this subsection, together with the  
6 retirement allowance provided by the federal government for  
7 similar service, shall in no case exceed seventy-five per cent  
8 of the member's average final 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 member has credited service as a judge, the  
5           member's retirement allowance shall be computed on the  
6           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, and has attained the  
10 age of sixty, for each year of credited service  
11 as a judge, three per cent of the member's  
12 average final compensation as computed under  
13 section 88-81(e)(3), in addition to an annuity  
14 that is the actuarial equivalent of the member's  
15 accumulated contributions allocable to the period  
16 of service. If the member has not attained age  
17 sixty, the member's retirement allowance shall be  
18 computed as though the member had attained age  
19 sixty, reduced for age as provided in subsection  
20 (i); and



1           (6) For each year of credited service not included in  
2           paragraph (1), (2), (3), (4), or (5), the average  
3           final compensation as computed under section 88-  
4           81(e)(4) shall be multiplied by two per cent for  
5           credited service earned as a class A or class H  
6           member, two and one-half per cent for credited service  
7           earned as a class B member, and one and one-quarter  
8           per cent for credited service earned as a class C  
9           member. If the member has not attained age fifty-  
10          five, the member's retirement allowance shall be  
11          computed as though the member had attained age fifty-  
12          five, reduced for age as provided in subsection (e).  
13          The total retirement allowance shall not exceed seventy-five per  
14          cent of the member's highest average final compensation  
15          calculated under section 88-81(e)(1), (2), (3), or (4). If the  
16          allowance exceeds this limit, it shall be adjusted by reducing  
17          any annuity accrued under paragraphs (1), (2), (3), (4), and (5)  
18          and the portion of the accumulated contributions specified in  
19          these paragraphs in excess of the requirements of the reduced  
20          annuity shall be returned to the member upon the member's  
21          retirement or paid to the member's designated beneficiary upon



1 the member's death while in service or while on authorized leave  
2 without pay. If a member has service credit as an elective  
3 officer or as a legislative officer in addition to service  
4 credit as a judge, then the retirement benefit calculation  
5 contained in this subsection shall supersede the formula  
6 contained in subsection (c).

7 (e) Except as provided in subsections (b), (c), and (d),  
8 if a member, who became a member before July 1, 2012, has not  
9 attained age fifty-five at the date of retirement, the member's  
10 retirement allowance shall be reduced, for each month the  
11 member's age at the date of retirement is below age fifty-five,  
12 as follows:

13 (1) 0.4166 per cent for each month below age fifty-five  
14 and above age forty-nine and eleven months; plus

15 (2) 0.3333 per cent for each month below age fifty and  
16 above age forty-four and eleven months; plus

17 (3) 0.2500 per cent for each month below age forty-five  
18 and above age thirty-nine and eleven months; plus

19 (4) 0.1666 per cent for each month below age forty;

20 provided that no reduction shall be made if the member has at  
21 least twenty-five years of credited service as a firefighter,



1 police officer, corrections officer, investigator of the  
2 department of the prosecuting attorney, investigator of the  
3 department of the attorney general, narcotics enforcement  
4 investigator, public safety investigations staff investigator,  
5 sewer worker, or water safety officer, of which the last five or  
6 more years prior to retirement is credited service in these  
7 capacities.

8 (f) If a member, who becomes a member after June 30, 2012,  
9 but before January 1, 2020, has attained age sixty, the member's  
10 maximum retirement allowance shall be one and three-fourths per  
11 cent of the member's average final compensation multiplied by  
12 the total number of years of the member's credited service as a  
13 class A and class B member, excluding any credited service as a  
14 judge, elective officer, or legislative officer, plus a  
15 retirement allowance of one and one-fourth per cent of the  
16 member's average final compensation multiplied by the total  
17 number of years of prior credited service as a class C member,  
18 plus a retirement allowance of one and three-fourths per cent of  
19 the member's average final compensation multiplied by the total  
20 number of years of prior credited service as a class H member;  
21 provided that:



1           (1) If the member has at least ten years of credited  
2           service of which the last five or more years prior to  
3           retirement is credited service as a firefighter,  
4           police officer, or an investigator of the department  
5           of the prosecuting attorney;

6           (2) If the member has at least ten years of credited  
7           service of which the last five or more years prior to  
8           retirement is credited service as a corrections  
9           officer;

10          (3) If the member has at least ten years of credited  
11          service of which the last five or more years prior to  
12          retirement is credited service as an investigator of  
13          the department of the attorney general;

14          (4) If the member has at least ten years of credited  
15          service of which the last five or more years prior to  
16          retirement is credited service as a narcotics  
17          enforcement investigator;

18          (5) If the member has at least ten years of credited  
19          service, of which the last five or more years prior to  
20          retirement is credited service as a public safety  
21          investigations staff investigator;



- 1           (6) If the member:
- 2                 (A) Has at least ten years of credited service as a
- 3                         firefighter;
- 4                 (B) Is deemed permanently medically disqualified due
- 5                         to a service related disability to be a
- 6                         firefighter by the employer's physician; and
- 7                 (C) Continues employment in a class A or class B
- 8                         position other than a firefighter; and
- 9           (7) If the member:
- 10                (A) Has at least ten years of credited service as a
- 11                        police officer;
- 12                (B) Is deemed permanently medically disqualified due
- 13                        to a service related disability to be a police
- 14                        officer by the employer's physician; and
- 15                (C) Continues employment in a class A or class B
- 16                        position other than a police officer,
- 17 then for each year of service as a firefighter, police officer,
- 18 corrections officer, investigator of the department of the
- 19 prosecuting attorney, investigator of the department of the
- 20 attorney general, narcotics enforcement investigator, or public
- 21 safety investigations staff investigator, the retirement



1 allowance shall be two and one-fourth per cent of the member's  
2 average final compensation. The maximum retirement allowance  
3 for those members shall not exceed eighty per cent of the  
4 member's average final compensation. If the member has not  
5 attained age sixty, the member's retirement allowance shall be  
6 computed as though the member had attained age sixty, reduced  
7 for age as provided in subsection (i).

8 (g) If a member, who becomes a member after June 30, 2012,  
9 but before January 1, 2020, has credited service as a judge, the  
10 member's retirement allowance shall be computed on the following  
11 basis:

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





1           (2) For a judge with other credited service, as provided  
2           in subsection (f). If the member has not attained age  
3           sixty, the member's retirement allowance shall be  
4           computed as though the member had attained age sixty,  
5           reduced for age as provided in subsection (i); and

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

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



1 (h) If a member, who becomes a member after June 30, 2012,  
2 but before January 1, 2020, has credited service as an elective  
3 officer or as a legislative officer, the member's retirement  
4 allowance shall be derived by adding the allowances computed  
5 separately under paragraphs (1), (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 credited service as a judge, three  
19 per cent of the member's average final compensation as  
20 computed under section 88-81(f)(3), in addition to an  
21 annuity that is the actuarial equivalent of the



1 member's accumulated contributions allocable to the  
2 period of service. If the member has not attained age  
3 sixty, the member's retirement allowance shall be  
4 computed as though the member had attained age sixty,  
5 reduced for age as provided in subsection (i); and  
6 (4) For each year of credited service not included in  
7 paragraph (1), (2), or (3), the average final  
8 compensation as computed under section 88-81(f)(4)  
9 shall be multiplied by one and three-fourth per cent  
10 for credited service earned as a class A or class H  
11 member, two and one-fourth per cent for credited  
12 service earned as a class B member, and one and  
13 one-fourth per cent for credited service earned as a  
14 class C member. If the member has not attained age  
15 sixty, the member's retirement allowance shall be  
16 computed as though the member had attained age sixty,  
17 reduced for age as provided in subsection (i).

18 The total retirement allowance shall not exceed seventy-five per  
19 cent of the member's highest average final compensation  
20 calculated under section 88-81(f)(1), (2), (3), or (4). If the  
21 allowance exceeds this limit, it shall be adjusted by reducing



1 any annuity accrued under paragraphs (1), (2), and (3) and the  
2 portion of the accumulated contributions specified in these  
3 paragraphs in excess of the requirements of the reduced annuity  
4 shall be returned to the member upon the member's retirement or  
5 paid to the member's designated beneficiary upon the member's  
6 death while in service or while on authorized leave without pay.  
7 If a member has service credit as an elective officer or as a  
8 legislative officer in addition to service credit as a judge,  
9 then the retirement benefit calculation contained in this  
10 subsection shall supersede the formula contained in subsection  
11 (g).

12 (i) Except as provided in subsections (f), (g), and (h),  
13 if a member, who becomes a member after June 30, 2012, but  
14 before January 1, 2020, has not attained age sixty at the date  
15 of retirement, the member's retirement allowance shall be  
16 reduced, for each month the member's age at the date of  
17 retirement is below age sixty, as follows:

18 (1) 0.4166 per cent for each month below age sixty and  
19 above age fifty-four and eleven months; plus

20 (2) 0.3333 per cent for each month below age fifty-five  
21 and above age forty-nine and eleven months; plus



1 (3) 0.2500 per cent for each month below age fifty and  
2 above age forty-four and eleven months; plus

3 (4) 0.1666 per cent for each month below age forty-five;  
4 provided that no reduction shall be made if the member has  
5 attained the age of fifty-five and has at least twenty-five  
6 years of credited service as a firefighter, police officer,  
7 corrections officer, investigator of the department of the  
8 prosecuting attorney, investigator of the department of the  
9 attorney general, narcotics enforcement investigator, public  
10 safety investigations staff investigator, sewer worker, water  
11 safety officer, or emergency medical technician, of which the  
12 last five or more years prior to retirement is credited service  
13 in these capacities.

14 (j) For a member who first becomes a member after  
15 December 31, 2019, and who qualifies for a retirement allowance  
16 pursuant to subsection (f), (g), (h), or (i), as applicable, the  
17 maximum annual retirement allowance, as adjusted pursuant to  
18 section 88-90, shall not exceed seventy-five per cent of the  
19 annual salary of the governor, as last recommended by the  
20 executive salary commission, at the time of the member's  
21 retirement."



1 SECTION 2. Section 88-76, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "§88-76 Allowance on ordinary disability retirement.  
4 ~~Upon~~ (a) Subject to subsection (b), upon retirement for  
5 ordinary disability, a member shall receive a maximum retirement  
6 allowance of one and three-fourths per cent of the member's  
7 average final compensation for each year of credited service;  
8 except that for each year of credited service as a judge, an  
9 elective officer, or a legislative officer, the member shall  
10 receive a maximum retirement allowance computed as provided in  
11 section 88-74(c), (d), (g), or (h), as applicable. The minimum  
12 retirement allowance payable under this section shall be thirty  
13 per cent of the member's average final compensation.

14 (b) For a member who first becomes a member after  
15 December 31, 2019, the maximum annual retirement allowance, as  
16 adjusted pursuant to section 88-90, shall not exceed seventy-  
17 five per cent of the annual salary of the governor, as last  
18 recommended by the executive salary commission, at the time of  
19 the member's retirement."

20 SECTION 3. Section 88-80, Hawaii Revised Statutes, is  
21 amended to read as follows:



1           "§88-80 Allowance on retirement for service-connected  
2 disability. [~~Upon~~] (a) Subject to subsection (b), upon  
3 retirement for service-connected disability, a member shall  
4 receive the amount of the member's accumulated contributions and  
5 a maximum retirement allowance that shall consist of fifty per  
6 cent of the member's average final compensation.

7           (b) For a member who first becomes a member after December  
8 31, 2019, the maximum annual retirement allowance, as adjusted  
9 pursuant to section 88-90, shall not exceed seventy-five per  
10 cent of the annual salary of the governor, as last recommended  
11 by the executive salary commission, at the time of the member's  
12 retirement."

13           SECTION 4. Section 88-282, Hawaii Revised Statutes, is  
14 amended to read as follows:

15           "§88-282 Service retirement allowance. (a) Upon  
16 retirement from service, and subject to subsection (b), a member  
17 shall receive a retirement allowance as follows:

18           (1) If the member has met the requirements in section 88-  
19 281(a), (b), (d), or (e), a maximum retirement  
20 allowance of one and one-fourth per cent of the



1 average final compensation multiplied by the number of  
2 years of credited service; or

3 (2) If the member has met the requirements in section 88-  
4 281(c), an early retirement allowance equal to the  
5 maximum retirement allowance reduced by one-half per  
6 cent for each month the member is less than age sixty-  
7 two at retirement.

8 (b) For a member who first becomes a member after  
9 December 31, 2019, the maximum annual retirement allowance, as  
10 adjusted pursuant to section 88-90, shall not exceed seventy-  
11 five per cent of the annual salary of the governor, as last  
12 recommended by the executive salary commission, at the time of  
13 the member's retirement."

14 SECTION 5. Section 88-284, Hawaii Revised Statutes, is  
15 amended to read as follows:

16 "§88-284 Ordinary disability retirement. (a) Under rules  
17 the board of trustees may adopt, upon application of a member in  
18 service or on leave without pay, or the person appointed by the  
19 family court as guardian of an incapacitated member, any member  
20 who has ten or more years of credited service shall be retired  
21 by the system on an ordinary disability retirement allowance if





1 the medical board or other entity designated by the board of  
2 trustees, after a medical examination of the member, certifies  
3 that:

4 (1) The member is mentally or physically incapacitated for  
5 the further performance of duty at the time of  
6 application;

7 (2) The incapacity is likely to be permanent; and

8 (3) The member should be retired.

9 (b) Upon approval by the system, the member shall be  
10 eligible to receive an ordinary disability retirement benefit no  
11 earlier than thirty days from the date the application was filed  
12 or the date the member terminated service, whichever is later.  
13 Retirement shall be effective on the first day of a month,  
14 except for the month of December when retirement on the first or  
15 last day of the month shall be allowed. A member whose  
16 application for an ordinary disability retirement allowance is  
17 approved by the system while the member is still in service may  
18 terminate service and retire at any time following the approval;  
19 provided that retirement shall become effective on the first day  
20 of the month following the month the applicant terminates  
21 employment or goes off the payroll, except for the month of



1 December when retirement on the first or last day of the month  
2 shall be allowed.

3 (c) [A] Subject to subsection (d), a member who is  
4 determined to be permanently incapacitated for the further  
5 performance of duty pursuant to subsection (a) and eligible to  
6 receive an ordinary disability retirement allowance shall  
7 receive a maximum retirement allowance of one and one-fourth per  
8 cent of the average final compensation multiplied by the number  
9 of years of credited service unreduced for age.

10 (d) For a member who first becomes a member after  
11 December 31, 2019, the maximum annual retirement allowance, as  
12 adjusted pursuant to section 88-90, shall not exceed seventy-  
13 five per cent of the annual salary of the governor, as last  
14 recommended by the executive salary commission, at the time of  
15 the member's retirement."

16 SECTION 6. Section 88-285, Hawaii Revised Statutes, is  
17 amended to read as follows:

18 "§88-285 **Service-connected disability retirement.** [A] (a)  
19 Subject to subsection (b), a member who would be eligible to  
20 receive a service-connected disability retirement allowance  
21 pursuant to section 88-79 shall receive a maximum retirement



1 allowance of thirty-five per cent of the member's average final  
2 compensation.

3 (b) For a member who first becomes a member after  
4 December 31, 2019, the maximum annual retirement allowance, as  
5 adjusted pursuant to section 88-90, shall not exceed seventy-  
6 five per cent of the annual salary of the governor, as last  
7 recommended by the executive salary commission, at the time of  
8 the member's retirement."

9 SECTION 7. Section 88-332, Hawaii Revised Statutes, is  
10 amended to read as follows:

11 "**§88-332 Service retirement allowance.** (a) Upon  
12 retirement from service, a class H member who became a member  
13 before July 1, 2012, shall receive a maximum retirement  
14 allowance as follows:

15 (1) If the member has met the requirements in section 88-  
16 331(a), (b), or (d), a maximum retirement allowance of  
17 two per cent of the average final compensation  
18 multiplied by the number of years of class H credited  
19 service, plus a retirement allowance at the rate of  
20 one and one-fourth per cent of the member's average



1 final compensation multiplied by the number of years  
2 of class C credited service; or

3 (2) If the member has met the requirements in section 88-  
4 331(c), an early retirement allowance equal to the  
5 maximum retirement allowance calculated as provided in  
6 paragraph (1), reduced by 0.4166 per cent for each  
7 month the member is less than age sixty-two at  
8 retirement.

9 (b) Upon retirement from service, a class H member who  
10 becomes a member after June 30, 2012, but before January 1,  
11 2020, shall receive a maximum retirement allowance as follows:

12 (1) If the member has met the requirements in section  
13 88-331(a), (b), or (d), a maximum retirement allowance  
14 of one and three-fourths per cent of the average final  
15 compensation multiplied by the number of years of  
16 class H credited service, plus a retirement allowance  
17 at the rate of one and one-fourth per cent of the  
18 member's average final compensation multiplied by the  
19 number of years of class C credited service; or

20 (2) If the member has met the requirements in section  
21 88-331(c), an early retirement allowance equal to the



1 maximum retirement allowance calculated as provided in  
2 paragraph (1), reduced by 0.4166 per cent for each  
3 month the member is less than age sixty-five at  
4 retirement.

5 (c) Upon retirement from service, a class H member who  
6 first becomes a member after December 31, 2019, shall receive a  
7 maximum retirement allowance as follows:

8 (1) If the member has met the requirements in section  
9 88-331(a), (b), or (d), a maximum retirement allowance  
10 of one and three-fourths per cent of the average final  
11 compensation multiplied by the number of years of  
12 class H credited service, plus a retirement allowance  
13 at the rate of one and one-fourth per cent of the  
14 member's average final compensation multiplied by the  
15 number of years of class C credited service; or

16 (2) If the member has met the requirements in section  
17 88-331(c), an early retirement allowance equal to the  
18 maximum retirement allowance calculated as provided in  
19 paragraph (1), reduced by 0.4166 per cent for each  
20 month the member is less than age sixty-five at  
21 retirement;



1 provided that the maximum annual retirement allowance, as  
2 adjusted pursuant to section 88-90, shall not exceed seventy-  
3 five per cent of the annual salary of the governor, as last  
4 recommended by the executive salary commission, at the time of  
5 the member's retirement."

6 SECTION 8. Section 88-335, Hawaii Revised Statutes, is  
7 amended to read as follows:

8 "§88-335 Ordinary disability retirement allowance. (a)  
9 Upon retirement for ordinary disability, a class H member who  
10 became a member before July 1, 2012, shall receive a maximum  
11 retirement allowance equal to the higher of either:

12 (1) Two per cent of the average final compensation  
13 multiplied by the number of years of class H credited  
14 service unreduced for age, plus one and one-fourth per  
15 cent of the member's average final compensation  
16 multiplied by the number of years of class C credited  
17 service unreduced for age; or

18 (2) Twenty-five per cent of the member's average final  
19 compensation.

20 (b) Upon retirement for ordinary disability, a class H  
21 member who becomes a member after June 30, 2012, but before



1 January 1, 2020, shall receive a maximum retirement allowance  
2 equal to the higher of either:

3 (1) One and three-fourths per cent of the average final  
4 compensation multiplied by the number of years of  
5 class H credited service unreduced for age, plus one  
6 and one-fourth per cent of the member's average final  
7 compensation multiplied by the number of years of  
8 class C credited service unreduced for age; or

9 (2) Twenty-five per cent of the member's average final  
10 compensation.

11 (c) Upon retirement for ordinary disability, a class H  
12 member who first becomes a member after December 31, 2019, shall  
13 receive a maximum retirement allowance equal to the higher of  
14 either:

15 (1) One and three-fourths per cent of the average final  
16 compensation multiplied by the number of years of  
17 class H credited service unreduced for age, plus one  
18 and one-fourth per cent of the member's average final  
19 compensation multiplied by the number of years of  
20 class C credited service unreduced for age; or



1       (2) Twenty-five per cent of the member's average final  
2           compensation;  
3 provided that the maximum annual retirement allowance, as  
4 adjusted pursuant to section 88-90, shall not exceed seventy-  
5 five per cent of the annual salary of the governor, as last  
6 recommended by the executive salary commission, at the time of  
7 the member's retirement."

8           SECTION 9. Section 88-337, Hawaii Revised Statutes, is  
9 amended to read as follows:

10        "**§88-337 Service-connected disability retirement**  
11 **allowance.** ~~[Upon]~~ (a) Subject to subsection (b), upon  
12 retirement for service-connected disability, a class H member  
13 shall receive the amount of the member's accumulated  
14 contributions and a maximum retirement allowance of thirty-five  
15 per cent of the member's average final compensation.

16        (b) For a member who becomes a member after December 31,  
17 2019, the maximum annual retirement allowance, as adjusted  
18 pursuant to section 88-90, shall not exceed seventy-five per  
19 cent of the annual salary of the governor, as last recommended  
20 by the executive salary commission, at the time of the member's  
21 retirement."







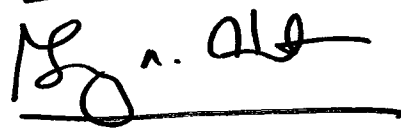










1 SECTION 10. This Act does not affect rights and duties  
2 that matured, penalties that were incurred, and proceedings that  
3 were begun before its effective date.

4 SECTION 11. Statutory material to be repealed is bracketed  
5 and stricken. New statutory material is underscored.

6 SECTION 12. This Act shall take effect upon its approval.  
7

INTRODUCED BY: 



# H.B. NO. 628

**Report Title:**

ERS; Retirement Allowance; Governor

**Description:**

Subjects the service retirement allowance, ordinary disability retirement allowance, and service-connected disability retirement allowance, as adjusted by any post retirement allowances, of employees who become contributory, non-contributory, and hybrid plan members in ERS after 12/31/2019, to a maximum amount of 75% of the governor's salary as last recommended by the executive salary commission at the time of the member's retirement.

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

