

JAN 23 2020

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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. The legislature finds that existing state law  
2 does not allow a retired police officer hired after June 30,  
3 2001, to include their spouse on their medical coverage plan.  
4 Spouses of police officers are often exposed to the same  
5 psychological impact as an officer. An officer may transfer his  
6 or her work-related stress to their spouse or family household.  
7 Spouses who care for or are around officers that are exposed to  
8 traumatic situations they encounter over the course of their  
9 careers can often suffer from compassion fatigue and secondary  
10 traumatic stress disorders. Accordingly, medical coverage  
11 should be extended to the spouses of retired police officers,  
12 rather than based only on the self-plan.

13           The legislature further finds existing state law requires a  
14 police officer employed after June 30, 2012, to meet both age  
15 and years of service requirements for retirement. An officer  
16 hired after this date is required to have twenty-five years of  
17 service and have attained the age of fifty-five. According to a



1 study by the National Center for Biotechnology Information, the  
2 years of potential life lost for police officers was twenty-one  
3 times greater than that of the general population. Police  
4 officers generally have shorter life expectancy due to stress,  
5 shift work, obesity, and exposure to hazardous work  
6 environments. The study also found that a male police officer  
7 who reached age fifty between 1950 - 2005 was expected to live  
8 only 7.8 additional years, while a male in the general  
9 population of the United States that reached age fifty in the  
10 same time period was expected to live an additional thirty-five  
11 years. Further, a male police officer in the fifty to fifty-  
12 four-year age category had a nearly forty per cent probability  
13 of death compared to a one per cent probability for males in the  
14 general population in the same age category.

15 The legislature further finds that, upon considering the  
16 results of this study, eliminating the minimum age requirement  
17 for police officers and maintaining the twenty-five years of  
18 service requirement may help to reduce the mortality rate risk  
19 factor for police officers. For example, an officer that joins  
20 the police department at age twenty would have the option to  
21 retire at forty-five, which would significantly reduce the



1 possibility of health risk factors associated with police work.  
2 Additionally, Honolulu and Maui police departments have  
3 developed a lateral transfer program to attract former officers  
4 from Hawaii or elsewhere to transfer to Honolulu or Maui, but  
5 the retirement requirements of twenty-five years of service and  
6 minimum age of fifty-five discourage many qualified individuals  
7 from transferring.

8 Therefore, the purpose of this Act is to:

- 9 (1) Allow retired police officers to include their spouses  
10 in their medical coverage plans; and
- 11 (2) Eliminate the minimum age requirement of fifty-five  
12 years for retired police officers.

13 SECTION 2. Section 87A-36, Hawaii Revised Statutes, is  
14 amended to read as follows:

15 **"§87A-36 State and county contributions; employees hired**  
16 **after June 30, 2001, and retired.** (a) This section shall apply  
17 to state and county contributions to the fund for employees  
18 hired after June 30, 2001, and who retired, except that this  
19 section shall not apply to the following employees, for whom  
20 state and county contributions shall be made as provided by  
21 section 87A-35:



1           (1) An employee hired after June 30, 1996, and prior to  
2                   July 1, 2001, who transfers employment after June 30,  
3                   2001, and who cumulatively accrues at least ten years  
4                   of credited service; and

5           (2) An employee hired after June 30, 1996, and prior to  
6                   July 1, 2001, who has at least ten years of credited  
7                   service prior to a break in service.

8           For purposes of this section:

9           "Break in service" means to leave state or county  
10           employment for more than ninety calendar days before returning  
11           to state or county employment.

12           "Transfer" means to leave state or county employment and  
13           return to state or county employment within ninety calendar  
14           days.

15           (b) For purposes of this section, if an employee leaves  
16           state or county employment and returns to state or county  
17           employment after July 1, 2001, upon retirement, the employee's  
18           years of service shall be computed in the same manner as set  
19           forth in chapter 88.



1           (c) The State, through the department of budget and  
2 finance, and the counties, through their respective departments  
3 of finance, shall pay to the fund:

4           (1) For retired employees based on the self plan with ten  
5 or more years but fewer than fifteen years of service,  
6 a monthly contribution equal to one-half of the base  
7 medicare or non-medicare monthly contribution set  
8 forth under section 87A-33(b);

9           (2) For retired employees based on the self plan with at  
10 least fifteen but fewer than twenty-five years of  
11 service, a monthly contribution equal to seventy-five  
12 per cent of the base medicare or non-medicare monthly  
13 contribution set forth under section 87A-33(b);

14           (3) For retired employees based on the self plan with  
15 twenty-five or more years of service, a monthly  
16 contribution equal to one hundred per cent of the base  
17 medicare or non-medicare monthly contribution set  
18 forth under section 87A-33(b); and

19           (4) One-half of the monthly contributions for the  
20 employee-beneficiary or employee-beneficiary with  
21 dependent-beneficiaries upon the death of the



1           employee, as defined in paragraph (1)(D) of the  
2           definition of "employee" in section 87A-1[+].[+]

3           If two employee-beneficiaries are married or in a civil  
4 union, the total contribution by the State or county shall not  
5 exceed the monthly contribution for two supplemental medicare  
6 self or non-medicare self plans, as appropriate.

7           (d) Notwithstanding any other law to the contrary, for the  
8 purposes of county contributions to the fund for any employee  
9 who is a county police officer hired after June 30, 2001, and  
10 who retired, section 87A-35 shall apply, and with respect to  
11 benefit plans under this chapter, the county police officer  
12 employee shall be treated as if employment began before July 1,  
13 2001 for the purposes of maintaining a spouse on a health  
14 benefit plan."

15           SECTION 3. Section 88-73, Hawaii Revised Statutes, is  
16 amended by amending subsection (a) to read as follows:

17           "(a) Any member who:

18           (1) Became a member before July 1, 2012, and has at least  
19           five years of credited service and has attained age  
20           fifty-five;



- 1           (2) Became a member before July 1, 2012, and has at least  
2           twenty-five years of credited service;
- 3           (3) Has at least ten years of credited service, which  
4           includes service as a judge before July 1, 1999, an  
5           elective officer, or a legislative officer;
- 6           (4) Becomes a member after June 30, 2012, and has at least  
7           ten years of credited service and has attained age  
8           sixty; or
- 9           (5) Becomes a member after June 30, 2012, and has at least  
10          twenty-five years of credited service and has attained  
11          age fifty-five,
- 12 shall become eligible to receive a retirement allowance after  
13 the member has terminated service[-]; provided that county  
14 police officers shall become eligible to receive a retirement  
15 allowance pursuant to section 88-74(i)."

16           SECTION 4. Section 88-74, Hawaii Revised Statutes, is  
17 amended by amending subsection (i) to read as follows:

18           "(i) Except as provided in subsections (f), (g), and (h),  
19 if a member, who becomes a member after June 30, 2012, has not  
20 attained age sixty at the date of retirement, the member's  
21 retirement allowance shall be reduced, for each month the



1 member's age at the date of retirement is below age sixty, as  
2 follows:

3 (1) 0.4166 per cent for each month below age sixty and  
4 above age fifty-four and eleven months; plus

5 (2) 0.3333 per cent for each month below age fifty-five  
6 and above age forty-nine and eleven months; plus

7 (3) 0.2500 per cent for each month below age fifty and  
8 above age forty-four and eleven months; plus

9 (4) 0.1666 per cent for each month below age forty-five;

10 provided that no reduction shall be made if the member has  
11 attained the age of fifty-five and has at least twenty-five  
12 years of credited service as a firefighter, [~~police officer,~~]  
13 corrections officer, investigator of the department of the  
14 prosecuting attorney, investigator of the department of the  
15 attorney general, narcotics enforcement investigator, public  
16 safety investigations staff investigator, sewer worker, water  
17 safety officer, or emergency medical technician, of which the  
18 last five or more years prior to retirement is credited service  
19 in these capacities[-]; provided further that no reduction shall  
20 be made if the member has at least twenty-five years of credited





1 service as a county police officer regardless if the member has  
2 not attained the age of fifty-five."

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

5 SECTION 6. This Act shall take effect on July 1, 2020.

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INTRODUCED BY: Rosalyn H. Baker



# S.B. NO. 3146

**Report Title:**

Police Officers; Spouses; Retirement; Medical Coverage; Minimum Age Requirement; Employees' Retirement System

**Description:**

Allows retired police officers to include their spouses in their medical coverage plans. Eliminates the minimum retirement age requirement of fifty-five years for police officers who became members after June 30, 2012.

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

