

JAN 21 2022

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 public officers and
2 employees are responsible for upholding the public's trust in
3 government and democracy. The public's belief in government and
4 democracy becomes strained when public officers and employees
5 participate in misconduct in their employment, while maintaining
6 the benefits of their employment.

7 The purpose of this Act is to authorize the forfeiture of
8 all of certain employees' retirement system benefits, pursuant
9 to court order, for state or county employees and designated
10 beneficiaries who are convicted of an employment-related felony.

11 SECTION 2. Section 88-74.8, Hawaii Revised Statutes, is
12 amended by amending the title and subsection (a) to read as
13 follows:

14 "~~§~~88-74.8~~§~~ Forfeiture of benefits; felony
15 convictions. (a) If a member, former member, or retirant is
16 convicted of a felony and the court finds that, by a
17 preponderance of the evidence, the felony is related to the



1 employment of the member, former member, or retirant by the
2 State or any county, the court may decree pursuant to section
3 706-605(8), a civil penalty of forfeiture by the member, former
4 member, or retirant of [~~one-half~~] all of any:

5 (1) Interest;

6 (2) Hypothetical account balance in excess of the amount
7 representing any employee contributions made by or on
8 behalf of the member, former member, or retirant;

9 (3) Pension;

10 (4) Annuity; or

11 (5) Retirement allowance,

12 to which the member, former member, or retirant may otherwise be
13 entitled under this chapter; provided that upon the death of the
14 member, former member, or retirant, the designated beneficiary
15 of the member, former member, or retirant may receive the
16 reduced benefits to which the member, former member, or retirant
17 would be entitled under this section; provided further that a
18 designated beneficiary who is also convicted of a felony based
19 on the same set of circumstances as the member, former member,
20 or retirant who were subject to civil penalty under this
21 section, shall not receive any benefits."



1 SECTION 3. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect upon its approval.

4
INTRODUCED BY:

Lynn S. Cate



S.B. NO. 2630

Report Title:

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

Description:

Authorizes a court to order the forfeiture of all of the Employees' Retirement System (ERS) benefits of an ERS member, former member, or retirant upon conviction of the individual for a felony related to the State or county employment of the individual. Prohibits designated beneficiaries convicted of a felony under the same set of circumstances as the member, former member, or retirant who was subject to forfeiture of ERS benefits from receiving benefits.

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