
A BILL FOR AN ACT

RELATING TO GOVERNMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 PART I

2 SECTION 1. Section 88-47, Hawaii Revised Statutes, is
3 amended by amending subsection (a) to read as follows:

4 "(a) There shall be four classes of members in the system
5 to be known as class A, class B, class C, and class H, defined
6 as follows:

7 (1) Class A shall consist of:

8 (A) ~~[Judges]~~ Members first employed as judges before
9 July 1, 2031, elected officials, and legislative
10 officers;

11 (B) Investigators of the department of the attorney
12 general, narcotics enforcement investigators,
13 water safety officers not making the election
14 under section 88-271, and law enforcement
15 investigations staff investigators;

16 (C) Those members in service prior to July 1, 1984,
17 including those who are on approved leave of



1 absence, not making the election to become a
2 class C member as provided in part VII or to
3 become a class H member as provided in part VIII;

4 (D) The following members in service prior to July 1,
5 2006, including those who are on approved leave
6 of absence, not making the election to become a
7 class H member as provided in part VIII:

8 (i) Members whose salaries are set forth in
9 sections 26-52 and 26-53 and their county
10 counterparts, managing directors or an
11 administrative assistant to the mayor, other
12 county department heads, and agency heads
13 appointed and subject to removal by the
14 mayor;

15 (ii) First deputies appointed by the county
16 attorney and prosecuting attorney;

17 (iii) The county clerk and deputy county clerk of
18 each county;

19 (iv) The directors of the offices of council
20 services of the county of Maui and the city
21 and county of Honolulu;



- 1 (v) The administrative director of the courts;
2 (vi) The deputy administrative director of the
3 courts;
4 (vii) The executive officer of the labor and
5 industrial relations appeals board; and
6 (viii) The executive officer of the Hawaii labor
7 relations board;
8 (E) All former class A retirants who return to
9 employment after June 30, 1984, requiring the
10 retirant's active membership; and
11 (F) All former class B retirants who return to
12 employment requiring the retirant's active
13 membership, except for:
14 (i) Former retirants who return in the positions
15 of police officer or firefighter;
16 (ii) Former retirants who were members on July 1,
17 1957, who elected not to be covered by the
18 Social Security Act; and
19 (iii) Former retirants who were in positions to
20 which coverage under Title II of the Social
21 Security Act was not extended who entered



membership after June 30, 1957, but before
January 1, 2004;

(2) Class B shall consist of:

(A) Police officers and firefighters, including
former retirants who return to service in such
capacity;

(B) All employees, including former retirants, who
were members on July 1, 1957, who elected not to
be covered by the Social Security Act; and

(C) All employees, including former retirants, in
positions to which coverage under Title II of the
Social Security Act is not extended, who enter
membership after June 30, 1957, but before
January 1, 2004, not making the election to
become a class H member as provided in part VIII;

(3) Except for members described in paragraphs (1) and
(2), class C shall consist of all employees, not
making the election to become a class H member as
provided in part VIII, who:

(A) First enter service after June 30, 1984, but
before July 1, 2006;



1 (B) Reenter service after June 30, 1984, but before
2 July 1, 2006, without vested benefit status as
3 provided in section 88-96(b);

4 (C) Make the election to become a class C member as
5 provided in part VII; or

6 (D) Are former class C retirants who return to
7 service requiring the retirant's active
8 membership; and

9 (4) Except for members described in paragraphs (1) and
10 (2), class H shall consist of all employees who:

11 (A) First enter service after June 30, 2006;

12 (B) Reenter service after June 30, 2006, without
13 vested benefit status as provided in
14 section 88-96(b);

15 (C) Make the election to become a class H member as
16 provided in part VIII; ~~or~~

17 (D) Are former class H retirants who return to
18 service requiring the retirant's active
19 membership~~[-]~~; or

20 (E) Are first employed as a judge after June 30,
21 2031."



1 SECTION 2. Section 88-74, Hawaii Revised Statutes, is
2 amended by amending subsection (d) to read as follows:

3 "(d) If a member, who became a member before July 1, 2012,
4 has credited service as an elective officer or as a legislative
5 officer, the member's retirement allowance shall be derived by
6 adding the allowances computed separately under paragraphs (1),
7 (2), (3), (4), (5), and (6) as follows:

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

16 (2) For a member, who first earned credited service as an
17 elective officer after June 30, 2012, irrespective of
18 age, for each year of credited service as an elective
19 officer, three per cent of the member's average final
20 compensation as computed under section 88-81(e)(1), in
21 addition to an annuity that is the actuarial



1 equivalent of the member's accumulated contributions
2 allocable to the period of service;

3 (3) For a member who has credited service as a legislative
4 officer before July 1, 2012, irrespective of age, for
5 each year of credited service as a legislative
6 officer, three and one-half per cent of the member's
7 average final compensation as computed under
8 section 88-81(e)(2), in addition to an annuity that is
9 the actuarial equivalent of the member's accumulated
10 contributions allocable to the period of service;

11 (4) For a member who first earned credited service as a
12 legislative officer after June 30, 2012, irrespective
13 of age, for each year of credited service as a
14 legislative officer, three per cent of the member's
15 average final compensation as computed under
16 section 88-81(e)(2), in addition to an annuity that is
17 the actuarial equivalent of the member's accumulated
18 contributions allocable to the period of service;

19 (5) If the member has credited service as a judge, the
20 member's retirement allowance shall be computed on the
21 following basis:



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

10 (B) For a member who first earned credited service as
11 a judge after June 30, 1999, but before July 1,
12 2012, and has attained the age of fifty-five, for
13 each year of credited service as a judge, three
14 and one-half per cent of the member's average
15 final compensation as computed under
16 section 88-81(e)(3), in addition to an annuity
17 that is the actuarial equivalent of the member's
18 accumulated contributions allocable to the period
19 of service. If the member has not attained age
20 fifty-five, the member's retirement allowance
21 shall be computed as though the member had



1 attained age fifty-five, reduced for age as
2 provided in subsection (e); ~~and~~

3 (C) For a member who first earned credited service as
4 a judge after June 30, 2012, but before July 1,
5 2031, and has attained the age of sixty, for each
6 year of credited service as a judge, three per
7 cent of the member's average final compensation
8 as computed under section 88-81(e)(3), in
9 addition to an annuity that is the actuarial
10 equivalent of the member's accumulated
11 contributions allocable to the period of service.
12 If the member has not attained age sixty, the
13 member's retirement allowance shall be computed
14 as though the member had attained age sixty,
15 reduced for age as provided in subsection (i);
16 and

17 (D) For a member who first earned credited service as
18 a judge after June 30, 2031, and has attained the
19 age of sixty, for each year of credited service
20 as a judge, one and three-fourths per cent of the
21 member's average final compensation as computed



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

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



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

16 PART II

17 SECTION 3. (a) The department of human resources
18 development shall conduct a study of the impacts and benefits of
19 reducing, from ten years to five years, the minimum number of
20 years of credited service that qualified tier 2 hybrid class
21 members of the employees' retirement system must have to be



1 eligible for vested benefit status for service retirement
2 allowance purposes.

3 (b) The department of human resources development shall
4 submit a report of its findings and recommendations, including
5 any proposed legislation, to the legislature no later than
6 twenty days prior to the convening of the regular session of
7 2027.

8 (c) As used in this section, "tier 2 hybrid class member
9 of the employees' retirement system" means a person who became a
10 member of the employees' retirement system under part VIII of
11 chapter 88, Hawaii Revised Statutes, after June 30, 2012.

12 SECTION 4. There is appropriated out of the general
13 revenues of the State of Hawaii the sum of \$300,000 or so much
14 thereof as may be necessary for fiscal year 2025-2026 for the
15 department of human resources development to conduct the study
16 pursuant to section 3 of this part.

17 The sum appropriated shall be expended by the department of
18 human resources development for the purposes of this part.

19 PART III

20 SECTION 5. This Act does not affect the rights, duties,
21 benefits, and obligations that matured or were vested, or



1 proceedings that were begun, before its effective date,
2 including but not limited to any membership that was terminated,
3 credited service that was forfeited, retirement that was
4 finalized, or benefits that were paid.

5 SECTION 6. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 7. This Act shall take effect on July 1, 2025.



Report Title:

ERS; DHRD; Class H, Tier 2 Members; Vested Benefit Status;
Credited Service; Benefits; Judges; Retirement Allowance

Description:

Amends the retirement allowance for a member who first earns credited service as a judge after 6/30/2031 to 1.75 per cent of the judge's average final compensation for each year of credited service as a judge. Requires the Department of Human Resources Development to study the impacts and benefits of reducing, from 10 years to 5 years, the minimum number of years of credited service that qualified Class H, Tier 2 members of the Employees' Retirement System must have to be eligible for vested benefit status for service retirement allowance purposes. (CD1)

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

