

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



GOV. MSG. NO. 1393

EXECUTIVE CHAMBERS  
KE KE'ENA O KE KIA'ĀINA

July 3, 2025

The Honorable Ronald D. Kouchi  
President of the Senate,  
and Members of the Senate  
Thirty-Third State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Nadine Nakamura  
Speaker, and Members of the  
House of Representatives  
Thirty-Third State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Aloha President Kouchi, Speaker Nakamura, and Members of the Legislature:

This is to inform you that on July 3, 2025, the following bill was signed into law:

S.B. NO. 935, S.D. 2,  
H.D. 3, C.D. 1

RELATING TO GOVERNMENT.  
**ACT 290**

Mahalo,

A handwritten signature in black ink that reads "Josh Green M.D." in a cursive style.

Josh Green, M.D.  
Governor, State of Hawai'i

on JUL 3 2025

THE SENATE  
THIRTY-THIRD LEGISLATURE, 2025  
STATE OF HAWAII

**ACT 290**  
**S.B. NO.** 935  
S.D. 2  
H.D. 3  
C.D. 1

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# 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



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

3 (2) Class B shall consist of:

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

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

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

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

20 (A) First enter service after June 30, 1984, but  
21 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]~~; 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.

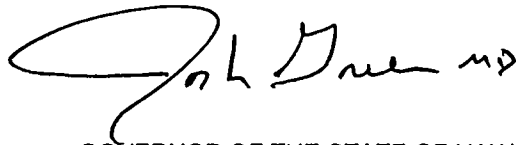
5 SECTION 6. Statutory material to be repealed is bracketed  
6 and stricken. New statutory material is underscored.

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



S.B. NO. 935  
S.D. 2  
H.D. 3  
C.D. 1

APPROVED this 3rd day of July, 2025


A handwritten signature in black ink, appearing to read "Josh Green", with a stylized flourish at the end.


GOVERNOR OF THE STATE OF HAWAII

**THE SENATE OF THE STATE OF HAWAI‘I**

Date: April 30, 2025  
Honolulu, Hawai‘i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate  
of the Thirty-Third Legislature of the State of Hawai‘i, Regular Session of 2025.

  
President of the Senate

  
Clerk of the Senate



SB No. 935, SD 2, HD 3, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: April 30, 2025  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Third Legislature of the State of Hawaii, Regular Session of 2025.



Nadine K. Nakamura  
Speaker  
House of Representatives



Brian L. Takeshita  
Chief Clerk  
House of Representatives