

ACT 181

An Act Relating to the Employees' Retirement System, and Making an Appropriation Therefor.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 6-20 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended in the following respects:

a. By amending the definition of the term "average final compensation" by adding thereto at the end thereof the following:

"In computing the compensation of a member as a justice of the supreme court or a judge of a circuit court of the territory, the compensation payable by the United States, as well as by the territory, shall be included."

b. By amending the definition of the term "employee" by inserting the word "other" before the words "elective officers."

c. By inserting therein, after the definition of the term "fireman," the following:

"'Judge': A justice of the supreme court or a judge of the circuit court of this State after the admission of this State into the union."

SECTION 2. Section 6-25 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"Sec. 6-25. Persons ineligible for membership; optional membership. The board may deny the right to become members to any class of part time employees, or it may, in its discretion, make optional with persons in such class their individual entrance into membership; provided, that no officer or employee entering service after January 1, 1928, who is entitled to become a member of any pension fund under the provisions of part III, shall be entitled to become a member of the system. Elective officers shall be eligible for membership, and their individual entrance into membership shall be at their option."

SECTION 3. Section 6-35 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"Sec. 6-35. Statement filed after July 1, 1947. Notwithstanding the foregoing, any member may file with the board, on a form approved by the board, a statement of all service as an employee or other service paid for by the State or county rendered prior to the date of his last becoming a member

which is not otherwise creditable to him, for which he claimed prior service credit, and also a statement of such service for which he claims membership service credit and for which he agrees to have additional deductions made from his compensation or to make a lump-sum payment as hereinafter described.

As soon as practicable after the filing of any such statement, the board shall verify the service therein claimed and determine the membership service credit allowable therefor. For a period equal to the period for which membership service credit is allowable, the deductions from the member's compensation shall be twice the proportion provided for in section 6-82, and such deductions shall be paid into the annuity savings fund, and shall be credited to the individual account of the member and become part of his accumulated contributions, provided, that the member may, at his option, pay in a lump-sum the contributions payable on account of the period for which membership service is allowable. Membership service credit in addition to any other service creditable to the member shall be allowed the member for the period for which such double deductions or lump-sum contributions have been made."

SECTION 4. Section 6-42 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding thereto, at the end thereof, the following paragraphs:

"Notwithstanding the foregoing, the service retirement allowance of a member who has had ten years of service credit, including service as a judge or an elective officer rendered after May 27, 1961, shall be as follows:

(a) An annuity which shall be the actuarial equivalent of his accumulated contributions at the time of his retirement;

(b) A pension, in addition to his annuity, which shall consist of (i) an amount equal to one one-hundred-fortieth of his average final compensation multiplied by the number of years of his membership service for service other than as a judge or an elective officer rendered after the admission of this State into the union, and (ii) 3.4523 per cent of his average final compensation for each year of creditable service as a judge or an elective officer rendered after the admission of this State into the union; except that if the member is a class A member, such pension payable subsequent to the attainment of age sixty-five shall be reduced as provided in the first paragraph of this section; and

(c) If he has a prior service certificate, an additional pension which shall be equal to one-seventieth of his average final compensation multiplied by the number of years of service certified to him on his prior service certificate.

The service retirement allowance shall in no case exceed seventy-five per cent of the average final compensation. If the allowance, computed in accordance with the foregoing paragraphs, exceeds such limit, it shall be reduced by first reducing the annuity, and such portion of the accumulated contributions as may be in excess of the requirements of the reduced annuity shall be returned to the member."

SECTION 5. Section 6-45 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding the following paragraph at the end thereof:

"Notwithstanding the foregoing, the disability retirement allowance of a member who has credit for service as a judge or an elective officer rendered after May 27, 1961 shall be the service retirement allowance if he has attained

the age of sixty years; if not, it shall be his annuity plus a pension of ninety per cent of the pension computed on the basis of his average final compensation which he would be entitled to if he continued in service until he attained the age of sixty years, except that if the member is a class A member, such pension payable subsequent to the time when the member becomes eligible for social security benefits shall be reduced as provided in the foregoing paragraph, plus an additional pension, if he has a prior service certificate, which shall be equal to ninety per cent of the additional pension computed on the basis of his average final compensation which he would be entitled to if he continued in service until he attained the age of sixty years."

SECTION 6. Section 6-82 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by substituting a "semi-colon" for the "period" at the end of the first paragraph thereof and inserting after the "semi-colon" the following:

"and in the case of a judge or an elective officer, the proportion of compensation shall be computed as though he were a member entitled to a pension to the extent provided in the first sentence of section 6-42."

SECTION 7. Section 6-24.5 of the Revised Laws of Hawaii 1955 is hereby repealed.

SECTION 8. Any provision of chapter 6 of the Revised Laws of Hawaii 1955, as amended, which is in conflict or inconsistent with the provisions of this Act is hereby superseded to the extent of such conflict or inconsistency.

SECTION 9. There is hereby appropriated out of the general revenues of the state the sum of \$90,000 for the purposes of this Act. If the amount of the liability on account of the provisions of this Act exceeds the amount herein appropriated, the deficiency shall be included in the request for appropriations for the employees' retirement system for the next fiscal period.

SECTION 10. This Act shall take effect upon its approval.

(Approved July 11, 1961.) **S.B. 73.**
