

**ACT 11**

A Bill for an Act Amending Chapter 6, Revised Laws of Hawaii 1955, as Amended, and Relating to the Withholding of Federal Income Taxes from Retirement Payments.

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

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

The fact that retired members of the employees' retirement system do not have federal income tax liabilities withheld from their payments constitutes a grave economic hardship for them; it is urgent and in the public interest that the laws of the State of Hawaii not burden retired members of the public service by forcing them to make lump sum payments for federal income tax purposes and it is the intent of this Act to meet that urgent need.

SECTION 2. Chapter 6 of the Revised Laws of Hawaii 1955, as amended, is hereby amended by adding a new section to be appropriately numbered and to read as follows:

**"Sec. 6- . Withholding of income taxes.** A retired member, if he consents in writing, may have withheld from his pension, annuity, or retirement allowance payment an equivalent percentage of such payment as will in the aggregate approximate such member's federal income tax liability as would result from such pension, annuity, or retirement allowance within the meaning of the United States Internal Revenue Code; payment of such taxes as withheld shall be the liability of the employees' retirement system."

SECTION 3. The board of trustees shall promulgate rules and regulations to administer the purposes of this Act.

SECTION 4. This Act shall take effect upon its approval.  
(Approved April 5, 1966.) S.B. 117.