

ACT 91

S. B. NO. 408

A Bill for an Act Relating to Retirement for Public Officers and Employees.

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

SECTION 1. Section 88-81, Hawaii Revised Statutes, is amended to read as follows:

**“Sec. 88-81 Average final compensation.** Average final compensation is (1) for employees who have become members prior to January 1, 1971, the average annual compensation pay or salary upon which a member has made contributions as required by sections 88-45 and 88-46, (A) during his five highest paid years of credited service, (B) at the option of the member, during his three highest paid years of credited service; provided that no payment of salary in lieu of vacation shall be included in the computation, or (C) if he has less than three years of credited service, then during his actual years of credited service; or (2) for employees who become members on or after January 1, 1971, the average annual compensation pay or salary upon which a member has made contributions as required by sections 88-45 and 88-46, (A) during his three highest

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paid years of credited service; provided that no payment of salary in lieu of vacation shall be included in the computation, or (B) if he has less than three years of credited service, then during his actual years of credited service.

In computing the compensation of a judge, the compensation paid to him by the United States as well as by the Territory shall be included.

For service rendered as a member of the legislature from and after November 5, 1968, the actual annual salary of a member shall be the only amount used for determining the member's average final compensation. For service rendered as a member of the legislature prior to November 5, 1968, and after admission of this State into the union, the annual compensation of a member shall be computed, for the purpose of determining the member's average final compensation, as follows: during a year in which a general session was held, it shall be deemed to have been an amount equal to four times the salary of a member of the legislature for a general session; and during a year in which a budget session was held, it shall be deemed to have been an amount equal to six times the salary of a member of the legislature for a budget session. For service rendered as a member of the legislature prior to the admission of this State into the union, the annual compensation of a member shall be deemed to have been four times the salary of a member of the legislature for a regular session for each year during his term of office."

SECTION 2. This Act shall, upon its approval, take effect on July 1, 1970.

(Approved June 16, 1970.)