

ACT 36

H. B. NO. 1749-72

A Bill for an Act Relating to the Employee's Retirement System.

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

SECTION 1. Section 88-21, Hawaii Revised Statutes, is amended to read:

"Sec. 88-21 Definitions. The following words and phrases as used in

this part, unless a different meaning is plainly required by the context, shall have the following meanings:

‘Accumulated contributions’: the sum of all the amounts paid by, or deducted from the compensation of, a member and credited to his individual account in the annuity savings fund together with regular interest thereon.

‘Actuarial equivalent’: a benefit of equal value to the accumulated contributions, annuity, pension or retirement allowance, when computed upon the basis of the actuarial tables in use by the system.

‘Annuity’: benefit payments for life derived from the accumulated contributions of a member.

‘Average final compensation’: the average annual compensation as described in section 88-81, which becomes part of the formula for the computation of a retirement allowance.

‘Beneficiary’: the recipient of any benefit from the system or, as the context may indicate, the natural person or persons designated by a member to receive the benefits payable in the event of his death.

‘County’: the counties of Hawaii, Honolulu, Kauai and Maui, including their respective boards of water supply and other quasi-independent boards, commissions and agencies.

‘Credited service’: prior service plus membership service.

‘Elective officers, elective officials’: elected officers of the State or any county including legislators and county supervisors or councilmen.

‘Employee’: any employee or officer of the State or any county, including inspectors, principals, teachers and special teachers, regularly employed in the public schools, cafeteria managers and cafeteria workers, apprentices and on-the-job trainees whether or not supported in whole or in part by any federal grants, members of the legislature and other elective officers, legislative employees who are employed on a full time basis during and between sessions, probationary and provisional employees, per diem employees and others who are made eligible by reason of their employment to membership in the system by or pursuant to any other provision of law, but excluding:

“(1) per diem employees who elect to withdraw or not to become members as provided in section 88-42;

“(2) members of the legislature who do not elect to be members as provided in section 88-42;

“(3) persons excluded by rules of the board pursuant to section 88-43.

“An individual is an employee during the period of a leave of absence if he is in service, as defined in this part, during the period of the leave of absence and the board shall determine who are employees within the meaning of this part.

‘Firemen’: all regularly employed members of the fire departments of the counties, whose principal duties are to prevent and fight fires.

‘Judge’: a justice of the supreme court or a judge of the circuit court of this State.

‘Medical board’: the board of physicians provided for in section 88-31.

‘Medical review board’: a board of physicians appointed to review appeals from the decisions of the medical board.

'Member': any person included in the membership of the system.

'Membership service': all service rendered by a member for which he had made the required contributions to the system.

'Pensions': benefit payment for life derived from money provided by the State or county, as the case may be.

'Per diem worker': a person employed and compensated on an hourly or daily basis.

'Policemen': all duly commissioned members of the police department of the several counties whose principal duties are law enforcement and who are paid on a monthly salary basis, including without limiting the generality of the foregoing, all police matrons and guards who work under the jurisdiction of such departments.

'Prior service': service rendered by a member to the State, territory or county or predecessor government prior to the establishment of the system or, as specifically provided in this part, prior to the admission of certain groups of classes of employees into the system membership.

'Regular interest': interest at four and one-half per cent a year, compounded annually.

'Retirant': a member who has retired and becomes a beneficiary of the system.

'Retirement allowance': the benefit payable for life to which a member is entitled upon his retirement.

'Service': service as an employee paid by the State or county, and also service during the period of a leave of absence or exchange if the individual is paid by the State or county during the period of the leave of absence or exchange or if the individual is not paid by the State or county during the period of the leave of absence but the individual is engaged in the performance of a governmental function or on an approved leave of absence for professional improvement with or without pay and the individual makes the same contribution to the system as he would have made if he had not been on such leave of absence. Cafeteria managers and cafeteria workers shall be considered as paid by the State, regardless of the source of funds from which they are paid.

'Service retirement': retirement of a member for age or length of service.

'System': the employees' retirement system of the State of Hawaii.

SECTION 2. Notwithstanding any provision of Chapter 88 to the contrary, the Employees' Retirement System is hereby authorized to use the increased interest rate of four and one-half per cent a year, compounded annually in determining the employer's normal and accrued liability contributions for the fiscal year 1971-1972 and to adjust such contribution requirements accordingly. This section shall take effect upon the approval of this Act.

SECTION 3. Subject to the foregoing, this Act shall take effect on July 1, 1972.

(Approved May 15, 1972.)