

## ACT 284

H.B. NO. 860

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

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

SECTION 1. Section 88-132.5, Hawaii Revised Statutes, is amended to read as follows:

**“§88-132.5 Credit for military service.** (a) Any employee who becomes a member of the system in accordance with section 88-42 after June 17, 1996, and has rendered honorable active military service in the armed forces of the United States, may be credited with membership service credit for active military service of up to four years or the actual number of years of active military service, whichever is less, as follows:

- (1) Any member with ten years of credited service in the system may be credited with up to two years of membership service credit;
- (2) Any member with twenty years of credited service in the system may be credited with up to three years of membership service credit; and
- (3) Any member with twenty-five years of credited service in the system may be credited with up to four years of membership service credit.

(b) Any employee who became a member of the system in accordance with section 88-42 before June 18, 1996, and has rendered honorable active military service in the armed forces of the United States, may be credited with membership service credit for active military service of up to four years or the actual number of years of active military service, whichever is less, as follows:

- (1) Any member with eight years of credited service in the system may be credited with up to two years of membership service credit;
- (2) Any member with twenty years of credited service in the system may be credited with up to three years of membership service credit; and
- (3) Any member with twenty-five years of credited service in the system may be credited with up to four years of membership service credit.

(c) Any retiree receiving a pension or retirement allowance under this chapter, who retired prior to July 2, 1989, who rendered honorable active military service in the armed forces of the United States and who had at least eight years of credited service in the system at retirement, shall be eligible for an increase in pension or retirement allowance for each year of military service up to four years, as follows:

- (1) A retiree with eight years of credited service in the system at retirement may be certified with up to two years of military service;
- (2) A retiree with twenty years of credited service in the system at retirement may be certified with up to three years of military service; and
- (3) A retiree with twenty-five years of credited service in the system at retirement may be certified with up to four years of military service.

Upon certification by the system, each year of certified military service shall provide an increase of \$36 a month in the retiree's pension or retirement allowance effective July 1, 2001; provided that the retiree claims the military service between July 1, 2001, and June 30, 2002. Military service certified under this subsection shall not be considered membership service credit nor shall it provide for any other benefits under this chapter.

~~[(e)]~~ (d) For the purposes of subsections (a) and (b), the latest membership date shall be used if there is a change in membership date due to termination and re-entry into the system.

~~[(d)]~~ (e) Any retirant who returns to employment, is reenrolled as a member of the system, and has at least three years of credited service in the system during the period of reemployment may be credited with membership service credit for active military service as provided in subsection (a) or (b); provided that membership service credit shall be based upon the member's total service[-] and the service was not previously certified in accordance with subsection (c).

~~[(e)]~~ (f) Active military service in the military reserve or national guard is not considered active military service unless in time of war or declared national or state emergency. Membership service creditable under this section shall be credited in accordance with sections 88-59 and 88-272.

~~[(f)]~~ (g) A contributory member's active military service shall be considered service in the member's occupation at the time that service is credited and shall be purchased at the rate specified in section 88-45, and the retirement allowance provided by that service shall be calculated as provided in section 88-74.

~~[(g)]~~ (h) Any violation of this section shall result in the forfeiture of the amount of the purchase of membership service and loss of benefits and membership service credit for military service.''

SECTION 2. There is appropriated out of the employees' retirement system's investment earnings the sum of \$100,000, or so much thereof as may be necessary for fiscal year 2001-2002, to carry out the purposes of this Act.

The sum appropriated shall be expended by the employees' retirement system for the purposes of this Act.

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2001.  
(Approved June 28, 2001.)