
A BILL FOR AN ACT

RELATING TO ALLOWANCE ON SERVICE RETIREMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 88-21, Hawaii Revised Statutes, is
2 amended by adding a new definition to be appropriately inserted
3 and to read as follows:

4 "Police radio dispatcher": any regularly employed member
5 of any county of the State whose principal duties are to conduct
6 police call taking and radio dispatching."

7 SECTION 2. Section 88-45, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "**§88-45 Employee contributions.** After June 30, 1988, each
10 class A and class B member shall contribute seven and eight-
11 tenths per cent of the member's compensation to the annuity
12 savings fund; provided that after June 30, 1989, all
13 firefighters, police officers, corrections officers,
14 investigators of the departments of the prosecuting attorney and
15 of the attorney general, narcotics enforcement investigators,
16 water safety officers not making the election under section 88-
17 271, ~~and~~ public safety investigations staff investigators,
18 police radio dispatchers, unless the police radio dispatcher has



1 not opted to become a class A member pursuant to Act , Session
2 Laws of Hawaii 2005, shall contribute twelve and two-tenths per
3 cent of their compensation to the annuity savings fund for
4 service in that capacity."

5 SECTION 3. Section 88-47, Hawaii Revised Statutes, is
6 amended by amending subsection (a) to read as follows:

7 "(a) There shall be four classes of members in the system
8 to be known as class A, class B, class C, and class H, defined
9 as follows:

10 (1) Class A shall consist of:

11 (A) Judges, elected officials, and legislative
12 officers;

13 (B) Investigators of the department of the attorney
14 general, narcotics enforcement investigators,
15 water safety officers not making the election
16 under section 88-271, [~~and~~] public safety
17 investigations staff investigators[~~+~~], and police
18 radio dispatchers;

19 (C) Those members in service prior to July 1, 1984,
20 including those who are on approved leave of
21 absence, not making the election to become a



- 1 class C member as provided in part VII or to
2 become a class H member as provided in part VIII;
- 3 (D) The following members in service prior to
4 July 1, 2006, including those who are on approved
5 leave of absence, not making the election to
6 become a class H member as provided in part VIII:
- 7 (i) Members whose salaries are set forth in
8 sections 26-52 and 26-53 and their county
9 counterparts, managing directors or an
10 administrative assistant to the mayor, other
11 county department heads, and agency heads
12 appointed and subject to removal by the
13 mayor;
- 14 (ii) First deputies appointed by the county
15 attorney and prosecuting attorney;
- 16 (iii) The county clerk and deputy county clerk of
17 each county;
- 18 (iv) The directors of the offices of council
19 services of the county of Maui and the city
20 and county of Honolulu;
- 21 (v) The administrative director of the courts;



- 1 (vi) The deputy administrative director of the
- 2 courts;
- 3 (vii) The executive officer of the labor and
- 4 industrial relations appeals board; and
- 5 (viii) The executive officer of the Hawaii labor
- 6 relations board;
- 7 (E) All former class A retirants who return to
- 8 employment after June 30, 1984, requiring the
- 9 retirant's active membership; and
- 10 (F) All former class B retirants who return to
- 11 employment requiring the retirant's active
- 12 membership, except for:
- 13 (i) Former retirants who return in the positions
- 14 of police officer or firefighter;
- 15 (ii) Former retirants who were members on
- 16 July 1, 1957, who elected not to be covered
- 17 by the Social Security Act; and
- 18 (iii) Former retirants who were in positions to
- 19 which coverage under Title II of the Social
- 20 Security Act was not extended who entered
- 21 membership after June 30, 1957, but before
- 22 January 1, 2004;



- 1 (2) Class B shall consist of:
 - 2 (A) Police officers and firefighters, including
 - 3 former retirants who return to service in such
 - 4 capacity;
 - 5 (B) All employees, including former retirants, who
 - 6 were members on July 1, 1957, who elected not to
 - 7 be covered by the Social Security Act; and
 - 8 (C) All employees, including former retirants, in
 - 9 positions to which coverage under Title II of the
 - 10 Social Security Act is not extended, who enter
 - 11 membership after June 30, 1957, but before
 - 12 January 1, 2004, not making the election to
 - 13 become a class H member as provided in part VIII;
- 14 (3) Except for members described in paragraphs (1) and
- 15 (2), class C shall consist of all employees, not
- 16 making the election to become a class H member as
- 17 provided in part VIII, who:
 - 18 (A) First enter service after June 30, 1984, but
 - 19 before July 1, 2006;
 - 20 (B) Reenter service after June 30, 1984, but before
 - 21 July 1, 2006, without vested benefit status as
 - 22 provided in section 88-96(b);



1 (C) Make the election to become a class C member as
2 provided in part VII; [~~or~~]

3 (D) Are former class C retirants who return to
4 service requiring the retirant's active
5 membership; [~~and~~] or

6 (E) Any police radio dispatcher who elected not to
7 become a class A member pursuant to Act ,
8 Session Laws of Hawaii 2005; and

9 (4) Except for members described in paragraphs (1) and
10 (2), class H shall consist of all employees who:

11 (A) First enter service after June 30, 2006;

12 (B) Reenter service after June 30, 2006, without
13 vested benefit status as provided in
14 section 88-96(b);

15 (C) Make the election to become a class H member as
16 provided in part VIII; or

17 (D) Are former class H retirants who return to
18 service requiring the retirant's active
19 membership."

20 SECTION 4. Section 88-74, Hawaii Revised Statutes, is
21 amended to read as follows:



1 **"§88-74 Allowance on service retirement.** Upon retirement
2 from service, a member shall receive a maximum retirement
3 allowance as follows:

4 (1) If the member has attained age fifty-five, a
5 retirement allowance of two per cent of the member's
6 average final compensation multiplied by the total
7 number of years of the member's credited service as a
8 class A and B member, excluding any credited service
9 as a judge, elective officer, or legislative officer,
10 plus a retirement allowance of one and one-fourth per
11 cent of the member's average final compensation
12 multiplied by the total number of years of prior
13 credited service as a class C member, plus a
14 retirement allowance of two per cent of the member's
15 average final compensation multiplied by the total
16 number of years of prior credited service as a class H
17 member; provided that:

18 (A) After June 30, 1968, if the member has at least
19 ten years of credited service of which the last
20 five or more years prior to retirement is
21 credited service as a firefighter, police



1 officer, or an investigator of the department of
2 the prosecuting attorney;

3 (B) After June 30, 1977, if the member has at least
4 ten years of credited service of which the last
5 five or more years prior to retirement is
6 credited service as a corrections officer;

7 (C) After June 16, 1981, if the member has at least
8 ten years of credited service of which the last
9 five or more years prior to retirement is
10 credited service as an investigator of the
11 department of the attorney general;

12 (D) After June 30, 1989, if the member has at least
13 ten years of credited service of which the last
14 five or more years prior to retirement is
15 credited service as a narcotics enforcement
16 investigator;

17 (E) After December 31, 1993, if the member has at
18 least ten years of credited service of which the
19 last five or more years prior to retirement is
20 credited service as a water safety officer;

21 (F) After June 30, 1994, if the member has at least
22 ten years of credited service, of which the last



- 1 five or more years prior to retirement are
2 credited service as a public safety
3 investigations staff investigator;
- 4 (G) After June 30, 2002, if the member:
- 5 (i) Has at least ten years of credited service
6 as a firefighter;
- 7 (ii) Is deemed permanently medically disqualified
8 due to a service related disability to be a
9 firefighter by the employer's physician; and
- 10 (iii) Continues employment in a class A or B
11 position other than a firefighter; ~~and~~
- 12 (H) After June 30, 2004, if the member:
- 13 (i) Has at least ten years of credited service
14 as a police officer;
- 15 (ii) Is deemed permanently medically disqualified
16 due to a service related disability to be a
17 police officer by the employer's physician;
18 and
- 19 (iii) Continues employment in a class A or B
20 position other than a police officer; and
- 21 (I) After December 31, 2005, if the member has at
22 least ten years of credited service of which the



1 last five or more years prior to retirement is
2 credited service as a police radio dispatcher;
3 then for each year of service as a firefighter, police
4 officer, corrections officer, investigator of the
5 department of the prosecuting attorney, investigator
6 of the department of the attorney general, narcotics
7 enforcement investigator, water safety officer, police
8 radio dispatcher, or public safety investigations
9 staff investigator, the retirement allowance shall be
10 two and one-half per cent of the member's average
11 final compensation. The maximum retirement allowance
12 for those members shall not exceed eighty per cent of
13 the member's average final compensation. If the
14 member has not attained age fifty-five, the member's
15 retirement allowance shall be computed as though the
16 member had attained age fifty-five, reduced in
17 accordance with factors of actuarial equivalence
18 adopted by the board upon the advice of the actuary;
19 provided that no reduction shall be made if the member
20 has at least twenty-five years of credited service as
21 a firefighter, police officer, police radio
22 dispatcher, corrections officer, investigator of the



1 department of the prosecuting attorney, investigator
2 of the department of the attorney general, narcotics
3 enforcement investigator, public safety investigations
4 staff investigator, sewer worker, or water safety
5 officer, of which the last five or more years prior to
6 retirement is credited service in [~~such~~] those
7 capacities;

8 (2) If the member has made voluntary additional
9 contributions for the purchase of an additional
10 annuity and has not applied for a refund as permitted
11 by section 88-72, the member may accept the refund at
12 the time of retirement or, in lieu thereof, receive in
13 addition to the retirement allowance provided in
14 paragraph (1), an annuity that is the actuarial
15 equivalent of the additional contributions with
16 regular interest;

17 (3) If the member has credited service as a judge, the
18 member's retirement allowance shall be computed on the
19 following basis:

20 (A) For a member who has credited service as a judge
21 before July 1, 1999, irrespective of age, for
22 each year of credited service as a judge, three



1 and one-half per cent of the member's average
2 final compensation in addition to an annuity that
3 is the actuarial equivalent of the member's
4 accumulated contributions allocable to the period
5 of [~~such~~] service[+] as a judge; and

6 (B) For a member who first earned credited service as
7 a judge after June 30, 1999, for each year of
8 credited service as a judge, three and one-half
9 per cent of the member's average final
10 compensation in addition to an annuity that is
11 the actuarial equivalent of the member's
12 accumulated contributions allocable to the period
13 of [~~such~~] service[-] as a judge. If the member
14 has not attained age fifty-five, the member's
15 retirement allowance shall be computed as though
16 the member had attained age fifty-five, reduced
17 in accordance with factors of actuarial
18 equivalence adopted by the board upon the advice
19 of the actuary; or

20 (C) For a judge with other credited service, as
21 provided in paragraphs (1) and (2). If the
22 member has not attained age fifty-five, the



1 member's retirement allowance shall be computed
2 as though the member had attained age fifty-five,
3 reduced in accordance with factors of actuarial
4 equivalence adopted by the board upon the advice
5 of the actuary; or

6 (D) For a judge with credited service as an elective
7 officer or as a legislative officer, as provided
8 in paragraph (4).

9 No allowance shall exceed seventy-five per cent of the
10 member's average final compensation. If the allowance
11 exceeds this limit, it shall be adjusted by reducing
12 the annuity included in subparagraphs (A) and (B) and
13 the portion of the accumulated contributions specified
14 in the subparagraphs in excess of the requirements of
15 the reduced annuity shall be returned to the member.

16 The allowance for judges under this paragraph,
17 together with the retirement allowance provided by the
18 federal government for similar service, shall in no
19 case exceed seventy-five per cent of the member's
20 average final compensation; or

21 (4) If the member has credited service as an elective
22 officer or as a legislative officer, the member's



1 retirement allowance shall be derived by adding the
2 allowances computed separately under subparagraphs
3 (A), (B), (C), and (D) as follows:

4 (A) Irrespective of age, for each year of credited
5 service as an elective officer, three and
6 one-half per cent of the member's average final
7 compensation as computed under section
8 88-81(e)(1), in addition to an annuity that is
9 the actuarial equivalent of the member's
10 accumulated contributions allocable to the period
11 of service; and

12 (B) Irrespective of age, for each year of credited
13 service as a legislative officer, three and
14 one-half per cent of the member's average final
15 compensation as computed under section
16 88-81(e)(2), in addition to an annuity that is
17 the actuarial equivalent of the member's
18 accumulated contributions allocable to the period
19 of service;

20 (C) If the member has credited service as a judge,
21 the member's retirement allowance shall be
22 computed on the following basis:



- 1 (i) For a member who has credited service as a
2 judge before July 1, 1999, irrespective of
3 age, for each year of credited service as a
4 judge, three and one-half per cent of the
5 member's average final compensation as
6 computed under section 88-81(e)(3), in
7 addition to an annuity that is the actuarial
8 equivalent of the member's accumulated
9 contributions allocable to the period of
10 [~~such~~] service[+] as a judge; and
- 11 (ii) For a member who first earned credited
12 service as a judge after June 30, 1999, and
13 has attained the age of fifty-five, for each
14 year of credited service as a judge, three
15 and one-half per cent of the member's
16 average final compensation as computed under
17 section 88-81(e)(3), in addition to an
18 annuity that is the actuarial equivalent of
19 the member's accumulated contributions
20 allocable to the period of [~~such~~] service[+]
21 as a judge. If the member has not attained
22 age fifty-five, the member's retirement



1 allowance shall be computed as though the
2 member had attained age fifty-five, reduced
3 in accordance with factors of actuarial
4 equivalence adopted by the board upon the
5 advice of the actuary; and

6 (D) For each year of credited service not included in
7 subparagraph (A), (B), or (C), the average final
8 compensation as computed under section
9 88-81(e)(4) shall be multiplied by two per cent
10 for credited service earned as a class A or class
11 H member, two and one-half per cent for credited
12 service earned as a class B member, and one and
13 one-quarter per cent for credited service earned
14 as a class C member. If the member has not
15 attained age fifty-five, the member's retirement
16 allowance shall be computed as though the member
17 had attained age fifty-five, reduced in
18 accordance with factors of actuarial equivalence
19 adopted by the board upon the advice of the
20 actuary.

21 The total retirement allowance shall not exceed
22 seventy-five per cent of the member's highest average



1 final compensation calculated under section
2 88-81(e) (1), (2), (3), or (4). If the allowance
3 exceeds this limit, it shall be adjusted by reducing
4 any annuity accrued under subparagraphs (A), (B), and
5 (C) and the portion of the accumulated contributions
6 specified in these subparagraphs in excess of the
7 requirements of the reduced annuity shall be returned
8 to the member. If a member has service credit as an
9 elective officer or as a legislative officer in
10 addition to service credit as a judge, then the
11 retirement benefit calculation contained in this
12 paragraph shall supersede the formula contained in
13 paragraph (3)."

14 SECTION 5. (a) Notwithstanding any other law to the
15 contrary, police radio dispatchers who are in service prior to
16 January 1, 2005, may elect to convert their existing class A or
17 class C membership to the class A membership status provided for
18 in this Act; provided that the service credit of any member
19 electing such a conversion earned before January 1, 2005, shall
20 remain at the class level in which the service credit was
21 earned. An election indicating the option selected shall be



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1 filed with the board of trustees prior to October 1, 2005. The
2 election filed with the board of trustees shall be irrevocable.

3 (b) All police radio dispatchers hired after December 31,
4 2005, shall be designated as class A members of the employees'
5 retirement system.

6 SECTION 6. The revisor of statutes shall insert the number
7 of this Act after the word "Act" in sections 88-45 and 88-
8 47(a)(3)(E), Hawaii Revised Statutes.

9 SECTION 7. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 8. This Act shall take effect upon its approval.

12

INTRODUCED BY: _____

Calvin K. M. Say

BY REQUEST

JAN 22 2007



Report Title:

Employees' Retirement System; Police Radio Dispatchers

Description:

Makes police radio dispatchers class A members of the Employees' Retirement System.

