THE SENATE TWENTY-FIFTH LEGISLATURE, 2010 STATE OF HAWAII

S.B. NO. ²⁶⁹¹ S.D. 1

H.D. 1 C.D. 1

A BILL FOR AN ACT

RELATING TO THE PAYMENT OF EMPLOYEES' RETIREMENT SYSTEM BENEFITS.

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

1	SECTION	1. Section 88-6, Hawaii Revised Statutes, is
2	amended by a	mending subsection (a) read as follows:
3	"(a) N	otwithstanding any other provision of this chapter:
4	(1) Al	l retirees and beneficiaries of the state retirement
5	sy	stem or county pension funds shall be paid
6	se	mimonthly; [and effective January 1, 2003, all]
7	pr	ovided that:
8	<u>(</u> A	<u>) All</u> retirees and beneficiaries of the state
9		retirement system who either retire or become
10		beneficiaries after January 1, 2003, shall be
11		paid monthly; and
12	<u>(B</u>) Effective July 1, 2011, all retirees and
13		beneficiaries of the state retirement system
14		shall be paid monthly; provided that this
15		subparagraph shall not apply to any retiree or
16		beneficiary who:

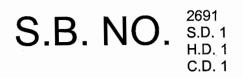
2010-1967 SB2691 CD1 SMA-2.doc

Page 2

S.B. NO. 2691 S.D. 1 H.D. 1 C.D. 1

1		(i) Became a retiree or beneficiary prior to
2		January 1, 2003;
3		(ii) Is eighty years of age or older on January
4	с. Х	1, 2011; and
5		(iii) Receives \$800 or less of pension benefits
6		each month; and
7	(2)	Any [retirant] <u>retiree</u> or beneficiary <u>of the state</u>
8		retirement system whose benefit commences after June
9		30, 2001, shall designate a financial institution
10		account into which the system shall be authorized to
11		deposit their retirement benefit [-]; and effective
12		April 1, 2011, all retirees and beneficiaries of the
13		state retirement system shall designate a financial
14		institution account into which the system shall be
15		authorized to deposit their state retirement system
16		benefits. This method of payment may be waived by the
17		system [if another method is determined to be more
18		appropriate]."
19	SECT:	ION 2. The employees' retirement system of the State
20	of Hawaii	shall provide for the transition from semimonthly
21	payments (to monthly payments pursuant to this Act by adjusting

2010-1967 SB2691 CD1 SMA-2.doc



1	the dates on which the semimonthly payments are made between
2	January 2011 and June 2011.
3	SECTION 3. Statutory material to be repealed is bracketed
4	and stricken. New statutory material is underscored.
5	SECTION 4. This Act shall take effect on January 1, 2011.
6	

2010-1967 SB2691 CD1 SMA-2.doc

S.B. NO. ²⁶⁹¹ S.D. 1 H.D. 1 C.D. 1

Report Title:

Employees' Retirement System; Payment; Direct Deposit

Description:

Provides for the payment of state retirement system benefits on a monthly basis by direct deposit to a financial institution account; requires the transition period from semimonthly payments to monthly payments to be implemented over a six-month period beginning in January 2011 and ending in June 2011; and exempts the switch from semimonthly to monthly payments for those retirants and beneficiaries who retired or became a beneficiary prior to 1/1/03, is at least 80 years of age by 1/1/2011, and receives \$800 or less of pension benefits each month. (CD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

