A BILL FOR AN ACT

RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.

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

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| 1 | SECTION 1. Chapter 88, Hawaii Revised Statutes, is amended |
| 2 | by adding a new section to be appropriately designated and to |
| 3 | read as follows: |
| 4 | "§88- Forfeiture of benefits; felony convictions. (a) |
| 5 | If a member, former member, or retirant is convicted of a felony |
| 6 | and the court finds that the felony is related to the employment |
| 7 | of the member, former member, or retirant by the State or any |
| 8 | county, the court may decree a forfeiture by the member, former |
| 9 | member, or retirant of all or a portion of any interest; |
| 10 | hypothetical account balance in excess of the amount |
| 11 | representing any employee contributions made by or on behalf of |
| 12 | the member, former member, or retirant; pension; annuity; or |
| 13 | retirement allowance to which the member, former member, or |
| 14 | retirant may otherwise be entitled under this chapter; provided |

that upon the death of the member, former member, or retirant,

16 the designated beneficiary of the member, former member, or

17 retirant may receive benefits to which such beneficiary would

otherwise be entitled under this chapter.



| 1 | (b) Notwithstanding section 88-91 or any other law to the |
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| 2 | contrary, upon receipt of a certified copy of the order |
| 3 | decreeing forfeiture, the system shall comply with the order and |
| 4 | shall suspend or deny payment to the member, former member, or |
| 5 | retirant as provided in the order until such time as the system |
| 6 | receives a certified order to: |
| 7 | (1) Resume or make payments to the member, former member, |
| 8 | or retirant; or |
| 9 | (2) Quash or reverse the decree of forfeiture. |
| 10 | The system shall not be required to make inquiry into the |
| 11 | propriety of the order decreeing forfeiture or recoup any |
| 12 | payments made to the member, former member, or retirant prior to |
| 13 | receipt by the system of the order decreeing forfeiture." |
| 14 | SECTION 2. New statutory material is underscored. |
| 15 | SECTION 3. This Act shall take effect upon its approval. |

Report Title:

Employees' Retirement System; Retirement Benefits; Felony Convictions; Forfeiture

Description:

Allows the court to decree a forfeiture by the member, former member, or retirant of all or a portion of any interest, hypothetical account balance (in excess of the amount representing any employee contributions made by or on behalf of the member, former member, or retirant), pension, annuity, or retirement allowance that the member, former member, or retirant may otherwise be entitled to if a member, former member, or retirant is convicted of a felony and the court finds that the felony is related to the employment of the member, former member, or retirant by the State or any county. Requires the employees' retirement system to comply with the court order and suspend or deny payment to the member, former member, or retirant as provided in the order. (SD1)

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