
A BILL FOR AN ACT

RELATING TO RETIREMENT.

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

1 SECTION 1. Section 88-74, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By amending subsections (c) and (d) to read:

4 "(c) If a member, who became a member prior to July 1,
5 2012, has credited service as a judge, the member's retirement
6 allowance shall be computed on the following basis:

7 (1) For a member who has credited service as a judge
8 before July 1, 1999, irrespective of age, for each
9 year of credited service as a judge, three and
10 one-half per cent of the member's average final
11 compensation in addition to an annuity that is the
12 actuarial equivalent of the member's accumulated
13 contributions allocable to the period of service;

14 (2) For a member who first earned credited service as a
15 judge after June 30, 1999, but before July 1, 2012,
16 for each year of credited service as a judge, three
17 and one-half per cent of the member's average final



1 compensation in addition to an annuity that is the
2 actuarial equivalent of the member's accumulated
3 contributions allocable to the period of service. If
4 the member has not attained age fifty-five, the
5 member's retirement allowance shall be computed as
6 though the member had attained age fifty-five, reduced
7 for age as provided in subsection (e);

8 (3) For a member who first earned credited service as a
9 judge after June 30, 2012, but before July 1, 2050,
10 for each year of credited service as a judge, three
11 per cent of the member's average final compensation in
12 addition to an annuity that is the actuarial
13 equivalent of the member's accumulated contributions
14 allocable to the period of service. If the member has
15 not attained age sixty, the member's retirement
16 allowance shall be computed as though the member had
17 attained age sixty, reduced for age as provided in
18 subsection (i);

19 (4) For a member who first earned credited service as a
20 judge after June 30, 2050, for each year of credited
21 service as a judge, two per cent of the member's



1 average final compensation in addition to an annuity
 2 that is the actuarial equivalent of the member's
 3 accumulated contributions allocable to the period of
 4 service. If the member has not attained age sixty,
 5 the member's retirement allowance shall be computed as
 6 though the member had attained age sixty, reduced for
 7 age as provided in subsection (i);

8 [~~(4)~~] (5) For a judge with other credited service, as
 9 provided in subsection (b). If the member has not
 10 attained age fifty-five, the member's retirement
 11 allowance shall be computed as though the member had
 12 attained age fifty-five, reduced for age as provided
 13 in subsection (e); or

14 [~~(5)~~] (6) For a judge with credited service as an elective
 15 officer or as a legislative officer, as provided in
 16 subsection (d).

17 No allowance shall exceed seventy-five per cent of the member's
 18 average final compensation. If the allowance exceeds this
 19 limit, it shall be adjusted by reducing the annuity included in
 20 paragraphs (1) [~~(2), and (3)~~] to (4) and the portion of the
 21 accumulated contributions specified in paragraphs (1) [~~(2), and~~



1 ~~(3)]~~ (4) in excess of the requirements of the reduced annuity
2 shall be returned to the member upon the member's retirement or
3 paid to the member's designated beneficiary upon the member's
4 death while in service or while on authorized leave without pay.
5 The allowance for judges under this subsection, together with
6 the retirement allowance provided by the federal government for
7 similar service, shall in no case exceed seventy-five per cent
8 of the member's average final compensation.

9 (d) If a member, who became a member before July 1, 2012,
10 has credited service as an elective officer or as a legislative
11 officer, the member's retirement allowance shall be derived by
12 adding the allowances computed separately under paragraphs (1),
13 (2), (3), (4), (5), and (6) as follows:

14 (1) For a member who has credited service as an elective
15 officer before July 1, 2012, irrespective of age, for
16 each year of credited service as an elective officer,
17 three and one-half per cent of the member's average
18 final compensation as computed under section
19 88-81(e)(1), in addition to an annuity that is the
20 actuarial equivalent of the member's accumulated
21 contributions allocable to the period of service;



- 1 (2) For a member, who first earned credited service as an
2 elective officer after June 30, 2012, irrespective of
3 age, for each year of credited service as an elective
4 officer, three per cent of the member's average final
5 compensation as computed under section 88-81(e)(1), in
6 addition to an annuity that is the actuarial
7 equivalent of the member's accumulated contributions
8 allocable to the period of service;
- 9 (3) For a member who has credited service as a legislative
10 officer before July 1, 2012, irrespective of age, for
11 each year of credited service as a legislative
12 officer, three and one-half per cent of the member's
13 average final compensation as computed under section
14 88-81(e)(2), in addition to an annuity that is the
15 actuarial equivalent of the member's accumulated
16 contributions allocable to the period of service;
- 17 (4) For a member who first earned credited service as a
18 legislative officer after June 30, 2012, irrespective
19 of age, for each year of credited service as a
20 legislative officer, three per cent of the member's
21 average final compensation as computed under section



1 88-81(e)(2), in addition to an annuity that is the
2 actuarial equivalent of the member's accumulated
3 contributions allocable to the period of service;

4 (5) If the member has credited service as a judge, the
5 member's retirement allowance shall be computed on the
6 following basis:

7 (A) For a member who has credited service as a judge
8 before July 1, 1999, irrespective of age, for
9 each year of credited service as a judge, three
10 and one-half per cent of the member's average
11 final compensation as computed under section
12 88-81(e)(3), in addition to an annuity that is
13 the actuarial equivalent of the member's
14 accumulated contributions allocable to the period
15 of service;

16 (B) For a member who first earned credited service as
17 a judge after June 30, 1999, but before July 1,
18 2012, and has attained the age of fifty-five, for
19 each year of credited service as a judge, three
20 and one-half per cent of the member's average
21 final compensation as computed under section



1 88-81(e)(3), in addition to an annuity that is
2 the actuarial equivalent of the member's
3 accumulated contributions allocable to the period
4 of service. If the member has not attained age
5 fifty-five, the member's retirement allowance
6 shall be computed as though the member had
7 attained age fifty-five, reduced for age as
8 provided in subsection (e); ~~and~~

9 (C) For a member who first earned credited service as
10 a judge after June 30, 2012, but before July 1,
11 2050, and has attained the age of sixty, for each
12 year of credited service as a judge, three per
13 cent of the member's average final compensation
14 as computed under section 88-81(e)(3), in
15 addition to an annuity that is the actuarial
16 equivalent of the member's accumulated
17 contributions allocable to the period of service.
18 If the member has not attained age sixty, the
19 member's retirement allowance shall be computed
20 as though the member had attained age sixty,



- 1 reduced for age as provided in subsection (i);
2 and
- 3 (D) For a member who first earned credited service as
4 a judge after June 30, 2050, and has attained age
5 sixty, for each year of credited service as a
6 judge, two per cent of the member's average final
7 compensation, as computed under section
8 88-81(e)(3), 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. If the member has not attained age
12 sixty, the member's retirement allowance shall be
13 computed as though the member had attained age
14 sixty, reduced for age as provided in subsection
15 (i); and
- 16 (6) For each year of credited service not included in
17 paragraph (1), (2), (3), (4), or (5), the average
18 final compensation as computed under section
19 88-81(e)(4) shall be multiplied by two per cent for
20 credited service earned as a class A or class H
21 member, two and one-half per cent for credited service



1 earned as a class B member, and one and one-quarter
2 per cent for credited service earned as a class C
3 member. If the member has not attained age fifty-
4 five, the member's retirement allowance shall be
5 computed as though the member had attained age fifty-
6 five, reduced for age as provided in subsection (e).
7 The total retirement allowance shall not exceed seventy-five per
8 cent of the member's highest average final compensation
9 calculated under section 88-81(e)(1), (2), (3), or (4). If the
10 allowance exceeds this limit, it shall be adjusted by reducing
11 any annuity accrued under paragraphs (1), (2), (3), (4), and (5)
12 and the portion of the accumulated contributions specified in
13 these paragraphs in excess of the requirements of the reduced
14 annuity shall be returned to the member upon the member's
15 retirement or paid to the member's designated beneficiary upon
16 the member's death while in service or while on authorized leave
17 without pay. If a member has service credit as an elective
18 officer or as a legislative officer in addition to service
19 credit as a judge, then the retirement benefit calculation
20 contained in this subsection shall supersede the formula
21 contained in subsection (c)."



1 2. By amending subsections (g) and (h) to read:

2 "(g) If a member, who becomes a member after June 30,
3 2012, has credited service as a judge[7]:

4 (1) For a member who first earned credited service as a
5 judge prior to July 1, 2050, the member's retirement
6 allowance shall be computed on the following basis:

7 [~~1~~] (A) For each year of credited service as a judge,
8 three per cent of the member's average final
9 compensation in addition to an annuity that is
10 the actuarial equivalent of the member's
11 accumulated contributions allocable to the period
12 of service. If the member has not attained age
13 sixty, the member's retirement allowance shall be
14 computed as though the member had attained age
15 sixty, reduced for age as provided in subsection
16 (i);

17 [~~2~~] (B) For a judge with other credited service, as
18 provided in subsection (f). If the member has
19 not attained age sixty, the member's retirement
20 allowance shall be computed as though the member



1 had attained age sixty, reduced for age as
 2 provided in subsection (i); and
 3 ~~[(3)]~~ (C) For a judge with credited service as an elective
 4 officer or as a legislative officer, as provided
 5 in subsection (h) ~~[-]~~; and
 6 (2) For a member who first earned credited service as a
 7 judge after June 30, 2050, the member's retirement
 8 allowance shall be computed on the following basis:
 9 (A) For each year of credited service as a judge, two
 10 per cent of the member's average final
 11 compensation in addition to an annuity that is
 12 the actuarial equivalent of the member's
 13 accumulated contributions allocable to the period
 14 of service. If the member has not attained age
 15 sixty, the member's retirement allowance shall be
 16 computed as though the member had attained age
 17 sixty, reduced for age as provided in subsection
 18 (i);
 19 (B) For a judge with other credited service, as
 20 provided in subsection (f). If the member has
 21 not attained age sixty, the member's retirement



1 allowance shall be computed as though the member
2 had attained age sixty, reduced for age as
3 provided in subsection (i); and

4 (C) For a judge with credited service as an elective
5 officer or as a legislative officer, as provided
6 in subsection (h).

7 No allowance shall exceed seventy-five per cent of the
8 member's average final compensation. If the allowance exceeds
9 this limit, it shall be adjusted by reducing the annuity
10 included in paragraph [~~4~~] (1)(A) and the portion of the
11 accumulated contributions specified in paragraph [~~4~~] (1)(A) in
12 excess of the requirements of the reduced annuity shall be
13 returned to the member upon the member's retirement or paid to
14 the member's designated beneficiary upon the member's death
15 while in service or while on authorized leave without pay. The
16 allowance for judges under this subsection, together with the
17 retirement allowance provided by the federal government for
18 similar service, shall in no case exceed seventy-five per cent
19 of the member's average final compensation.

20 (h) If a member, who becomes a member after June 30, 2012,
21 has credited service as an elective officer or as a legislative



1 officer, the member's retirement allowance shall be derived by
2 adding the allowances computed separately under paragraphs (1),
3 (2), (3), and (4) as follows:

- 4 (1) Irrespective of age, for each year of credited service
5 as an elective officer, three per cent of the member's
6 average final compensation as computed under section
7 88-81(f)(1), in addition to an annuity that is the
8 actuarial equivalent of the member's accumulated
9 contributions allocable to the period of service;
- 10 (2) Irrespective of age, for each year of credited service
11 as a legislative officer, three per cent of the
12 member's average final compensation as computed under
13 section 88-81(f)(2), in addition to an annuity that is
14 the actuarial equivalent of the member's accumulated
15 contributions allocable to the period of service;
- 16 (3) For each year of credited service as a judge[~~r~~] who
17 first earned credited service as a judge:
- 18 (A) Prior to July 1, 2050, three per cent of the
19 member's average final compensation as computed
20 under section 88-81(f)(3), in addition to an
21 annuity that is the actuarial equivalent of the



1 member's accumulated contributions allocable to
2 the period of service[-];
3 (B) After June 30, 2050, two per cent of the member's
4 average final compensation as computed under
5 section 88-81(f)(3), in addition to an annuity
6 that is the actuarial equivalent of the member's
7 accumulated contributions allocable to the period
8 of service.

9 If the member has not attained age sixty, the member's
10 retirement allowance shall be computed as though the
11 member had attained age sixty, reduced for age as
12 provided in subsection (i); and

13 (4) For each year of credited service not included in
14 paragraph (1), (2), or (3), the average final
15 compensation as computed under section 88-81(f)(4)
16 shall be multiplied by one and three-fourth per cent
17 for credited service earned as a class A or class H
18 member, two and one-fourth per cent for credited
19 service earned as a class B member, and one and
20 one-fourth per cent for credited service earned as a
21 class C member. If the member has not attained age



1 sixty, the member's retirement allowance shall be
2 computed as though the member had attained age sixty,
3 reduced for age as provided in subsection (i).
4 The total retirement allowance shall not exceed seventy-five per
5 cent of the member's highest average final compensation
6 calculated under section 88-81(f)(1), (2), (3), or (4). If the
7 allowance exceeds this limit, it shall be adjusted by reducing
8 any annuity accrued under paragraphs (1), (2), and (3) and the
9 portion of the accumulated contributions specified in these
10 paragraphs in excess of the requirements of the reduced annuity
11 shall be returned to the member upon the member's retirement or
12 paid to the member's designated beneficiary upon the member's
13 death while in service or while on authorized leave without pay.
14 If a member has service credit as an elective officer or as a
15 legislative officer in addition to service credit as a judge,
16 then the retirement benefit calculation contained in this
17 subsection shall supersede the formula contained in subsection
18 (g)."

19 SECTION 2. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.

21 SECTION 3. This Act shall take effect on July 1, 2050.



Report Title:

Retirement; Pension; Judges; Employees' Retirement System

Description:

Reduces the percentage of average final compensation used to calculate the retirement allowance for a member who first earned credited service as a judge after June 30, 2050, to two per cent. (SB249 HD1)

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

