A BILL FOR AN ACT

RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.

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

1   SECTION 1. Section 88-21.5, Hawaii Revised Statutes, is

2 amended to read as follows:

3   "**§88-21.5 Compensation.** (a) For a member who became a

4 member before July 1, 2012, unless a different meaning is

5 plainly required by context, as used in this part,

6 "compensation" means:

7   (1) Normal periodic payments of money for service the

8   right to which accrues on a regular basis in

9   proportion to the service performed;

10   (2) Overtime, differentials, and supplementary payments;

11   (3) Bonuses and lump sum salary supplements; and

12   (4) Elective salary reduction contributions under sections

13   125, 403(b), and 457(b) of the Internal Revenue Code

14   of 1986, as amended.

15 Bonuses and lump sum salary supplements shall be deemed earned

16 when payable; provided that bonuses or lump sum salary

17 supplements in excess of one-twelfth of compensation for the

1 twelve months prior to the month in which the bonus or lump sum

2 salary supplement is payable, exclusive of overtime, bonuses,

3 and lump sum salary supplements, shall be deemed earned:

4   (1) During the period agreed-upon by the employer and

5   employee, but in any event over a period of not less

6   than twelve months; or

7   (2) In the absence of an agreement between the employer

8   and the employee, over the twelve months prior to the

9   date on which the bonus or lump sum salary supplement

10   is payable.

11   (b) For a member who becomes a member after June 30, 2012,

12 unless a different meaning is plainly required by context,

13 "compensation" as used in this part:

14   (1) Means:

15   (A) The normal periodic payments of money for

16   service, the right to which accrues on an hourly,

17   daily, monthly, or annual basis;

18   (B) Shortage differentials;

19   (C) Elective salary reduction contributions under

20   sections 125, 403(b), and 457(b) of the Internal

21   Revenue Code of 1986, as amended; and

1   (D)   Twelve-month differentials for employees of the

2   department of education; and

3   (2)   Shall not include any other additional or extra

4   payments to an employee or officer, including

5   overtime, supplementary payments, bonuses, lump sum

6   salary supplements, allowances, or differentials,

7   including differentials for stand-by duty, temporary

8   unusual work hazards, compression differentials, or

9   temporary differentials, except for those expressly

10   authorized pursuant to subsection (b)(1)(B),

11   (b)(1)(C), and (b)(1)(D).

12   (c)   Notwithstanding any provisions of subsections (a) or

13 (b) to the contrary, "compensation" shall include overtime

14 payments earned by an essential worker between March 1, 2020,

15 and _____."

16   SECTION 2.   There is appropriated out of the funds received

17 by the State of Hawaii from the Coronavirus Aid, Relief, and

18 Economic Security Act, Public Law 116-136, the sum of

19 $ or so much thereof as may be necessary for fiscal

20 year 2021-2022 and the same sum or so much thereof as may be

21 necessary for fiscal year 2022-2023 to fund additional

S.B. NO. 673

1 employees' retirement system costs resulting from the expanded

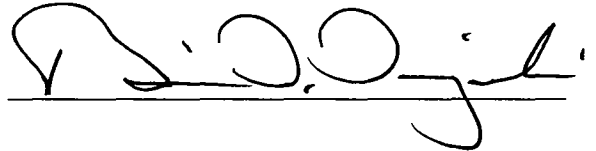2 definition of "compensation" in section 1 of this Act.

3   The sums appropriated shall be expended by the employees'

4 retirement system for the purposes of this Act.

5   SECTION 3. New statutory material is underscored.

6   SECTION 4. This Act shall take effect on July 1, 2021.

7

INTRODUCED BY: _____

Report Title:
ERS; Compensation; Overtime; Appropriations

Description:
Expands the definition of compensation to include overtime payments earned by essential workers during an unspecified period of time. Appropriates moneys to fund additional employees' retirement system costs.

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