
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 88-47, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

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

6 (1) Class A shall consist of:

7 (A) Judges, elected officials, and legislative
8 officers[?] in service prior to July 1, 2023;

9 (B) Investigators of the department of the attorney
10 general, narcotics enforcement investigators,
11 water safety officers not making the election
12 under section 88-271, and public safety
13 investigations staff investigators;

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



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- 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 July 1,
4 2006, including those who are on approved leave
5 of absence, not making the election to become a
6 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;



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- 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 July 1,
- 16 1957, who elected not to be covered by the
- 17 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



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1 membership after June 30, 1957, but before
2 January 1, 2004;

3 (2) Class B shall consist of:

4 (A) Police officers and firefighters, including
5 former retirants who return to service in such
6 capacity;

7 (B) All employees, including former retirants, who
8 were members on July 1, 1957, who elected not to
9 be covered by the Social Security Act; and

10 (C) All employees, including former retirants, in
11 positions to which coverage under Title II of the
12 Social Security Act is not extended, who enter
13 membership after June 30, 1957, but before
14 January 1, 2004, not making the election to
15 become a class H member as provided in part VIII;

16 (3) Except for members described in paragraphs (1) and
17 (2), class C shall consist of all employees, not
18 making the election to become a class H member as
19 provided in part VIII, who:

20 (A) First enter service after June 30, 1984, but
21 before July 1, 2006;



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1 (B) Reenter service after June 30, 1984, but before
2 July 1, 2006, without vested benefit status as
3 provided in section 88-96(b);

4 (C) Make the election to become a class C member as
5 provided in part VII; or

6 (D) Are former class C retirants who return to
7 service requiring the retirant's active
8 membership; 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 2. Section 88-73, Hawaii Revised Statutes, is
21 amended as follows:



1 1. By amending subsection (a) to read:
2 "(a) Any member who:
3 (1) Became a member before July 1, 2012, and has at least
4 five years of credited service and has attained age
5 fifty-five;
6 (2) Became a member before July 1, 2012, and has at least
7 twenty-five years of credited service;
8 (3) Has at least ten years of credited service, which
9 includes service as a judge before July 1, 1999[~~7~~]; an
10 elective officer[~~7~~] before July 1, 2023; or a
11 legislative officer[~~7~~] before July 1, 2023;
12 (4) Becomes a member after June 30, 2012, and has at least
13 ten years of credited service and has attained age
14 sixty; or
15 (5) Becomes a member after June 30, 2012, and has at least
16 twenty-five years of credited service and has attained
17 age fifty-five,
18 shall become eligible to receive a retirement allowance after
19 the member has terminated service."

20 2. By amending subsection (d) to read:



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1 "(d) Any member of the legislature who first earned
2 credited service as a member of the legislature before July 1,
3 2023, and who attains age sixty-five may retire and receive a
4 service retirement allowance although the member continues to
5 fill the elective position."

6 SECTION 3. Section 88-74, Hawaii Revised Statutes, is
7 amended as follows:

8 1. By amending subsections (b) through (d) to read:

9 "(b) If a member, who became a member before July 1, 2012,
10 has attained age fifty-five, the member's maximum retirement
11 allowance shall be two per cent of the member's average final
12 compensation multiplied by the total number of years of the
13 member's credited service as a class A and class B member,
14 excluding any credited service as a judge, elective officer, or
15 legislative officer[7] who first earned credited service as a
16 judge, elective officer, or legislative officer before July 1,
17 2023, plus a retirement allowance of one and one-fourth per cent
18 of the member's average final compensation multiplied by the
19 total number of years of prior credited service as a class C
20 member, plus a retirement allowance of two per cent of the
21 member's average final compensation multiplied by the total



1 number of years of prior credited service as a class H member;
2 provided that:

3 (1) After June 30, 1968, if the member has at least ten
4 years of credited service of which the last five or
5 more years prior to retirement is credited service as
6 a firefighter, police officer, or an investigator of
7 the department of the prosecuting attorney;

8 (2) After June 30, 1977, if the member has at least ten
9 years of credited service of which the last five or
10 more years prior to retirement is credited service as
11 a corrections officer;

12 (3) After June 16, 1981, if the member has at least ten
13 years of credited service of which the last five or
14 more years prior to retirement is credited service as
15 an investigator of the department of the attorney
16 general;

17 (4) After June 30, 1989, if the member has at least ten
18 years of credited service of which the last five or
19 more years prior to retirement is credited service as
20 a narcotics enforcement investigator;



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- 1 (5) After December 31, 1993, if the member has at least
2 ten years of credited service of which the last five
3 or more years prior to retirement is credited service
4 as a water safety officer;
- 5 (6) After June 30, 1994, if the member has at least ten
6 years of credited service, of which the last five or
7 more years prior to retirement are credited service as
8 a public safety investigations staff investigator;
- 9 (7) After June 30, 2002, if the member:
- 10 (A) Has at least ten years of credited service as a
11 firefighter;
- 12 (B) Is deemed permanently medically disqualified due
13 to a service related disability to be a
14 firefighter by the employer's physician; and
- 15 (C) Continues employment in a class A or B position
16 other than a firefighter; and
- 17 (8) After June 30, 2004, if the member:
- 18 (A) Has at least ten years of credited service as a
19 police officer;



1 (B) Is deemed permanently medically disqualified due
2 to a service related disability to be a police
3 officer by the employer's physician; and

4 (C) Continues employment in a class A or B position
5 other than a police officer;

6 then for each year of service as a firefighter, police officer,
7 corrections officer, investigator of the department of the
8 prosecuting attorney, investigator of the department of the
9 attorney general, narcotics enforcement investigator, water
10 safety officer, or public safety investigations staff
11 investigator, the retirement allowance shall be two and one-half
12 per cent of the member's average final compensation. The
13 maximum retirement allowance for those members shall not exceed
14 eighty per cent of the member's average final compensation. If
15 the member has not attained age fifty-five, the member's
16 retirement allowance shall be computed as though the member had
17 attained age fifty-five, reduced for age as provided in
18 subsection (e).

19 (c) If a member, who became a member prior to July 1,
20 2012, ~~has~~ and who first earned credited service as a judge[-]



1 before July 1, 2023, the member's retirement allowance shall be
2 computed on the following basis:

- 3 (1) For a member who has credited service as a judge
4 before July 1, 1999, irrespective of age, for each
5 year of credited service as a judge, three and
6 one-half per cent of the member's average final
7 compensation 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) For a member who first earned credited service as a
11 judge after June 30, 1999, but before July 1, 2012,
12 for each year of credited service as a judge, three
13 and one-half per cent of the member's average final
14 compensation in addition to an annuity that is the
15 actuarial equivalent of the member's accumulated
16 contributions allocable to the period of service. If
17 the member has not attained age fifty-five, the
18 member's retirement allowance shall be computed as
19 though the member had attained age fifty-five, reduced
20 for age as provided in subsection (e);



- 1 (3) For a member who first earned credited service as a
2 judge after June 30, 2012, but before July 1, 2023,
3 for each year of credited service as a judge, three
4 per cent of the member's average final compensation in
5 addition to an annuity that is the actuarial
6 equivalent of the member's accumulated contributions
7 allocable to the period of service. If the member has
8 not attained age sixty, the member's retirement
9 allowance shall be computed as though the member had
10 attained age sixty, reduced for age as provided in
11 subsection (i);
- 12 (4) For a judge with other credited service, as provided
13 in subsection (b). If the member has not attained age
14 fifty-five, the member's retirement allowance shall be
15 computed as though the member had attained age
16 fifty-five, reduced for age as provided in subsection
17 (e); or
- 18 (5) For a judge with credited service as an elective
19 officer or as a legislative officer, as provided in
20 subsection (d).



1 No allowance shall exceed seventy-five per cent of the member's
2 average final compensation. If the allowance exceeds this
3 limit, it shall be adjusted by reducing the annuity included in
4 paragraphs (1), (2), and (3) and the portion of the accumulated
5 contributions specified in paragraphs (1), (2), and (3) in
6 excess of the requirements of the reduced annuity shall be
7 returned to the member upon the member's retirement or paid to
8 the member's designated beneficiary upon the member's death
9 while in service or while on authorized leave without pay. The
10 allowance for judges under this subsection, together with the
11 retirement allowance provided by the federal government for
12 similar service, shall in no case exceed seventy-five per cent
13 of the member's average final compensation.

14 (d) If a member, who became a member before July 1, 2012,
15 [~~has~~] and who first earned credited service as an elective
16 officer or as a legislative officer^[7] before July 1, 2023, the
17 member's retirement allowance shall be derived by adding the
18 allowances computed separately under paragraphs (1), (2), (3),
19 (4), (5), and (6) as follows:

20 (1) For a member who has credited service as an elective
21 officer before July 1, 2012, irrespective of age, for



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

7 (2) For a member, who first earned credited service as an
8 elective officer after June 30, 2012, but before
9 July 1, 2023, irrespective of age, for each year of
10 credited service as an elective officer, three per
11 cent of the member's average final compensation as
12 computed under section 88-81(e)(1), in addition to an
13 annuity that is the actuarial equivalent of the
14 member's accumulated contributions allocable to the
15 period of service;

16 (3) For a member who has credited service as a legislative
17 officer before July 1, 2012, irrespective of age, for
18 each year of credited service as a legislative
19 officer, three and one-half per cent of the member's
20 average final compensation as computed under
21 section 88-81(e)(2), in addition to an annuity that is



- 1 the actuarial equivalent of the member's accumulated
2 contributions allocable to the period of service;
- 3 (4) For a member who first earned credited service as a
4 legislative officer after June 30, 2012, but before
5 July 1, 2023, irrespective of age, for each year of
6 credited service as a legislative officer, three per
7 cent of the member's average final compensation as
8 computed under section 88-81(e)(2), in addition to an
9 annuity that is the actuarial equivalent of the
10 member's accumulated contributions allocable to the
11 period of service;
- 12 (5) If the member has credited service as a judge, the
13 member's retirement allowance shall be computed on the
14 following basis:
- 15 (A) For a member who has credited service as a judge
16 before July 1, 1999, irrespective of age, for
17 each year of credited service as a judge, three
18 and one-half per cent of the member's average
19 final compensation as computed under
20 section 88-81(e)(3), in addition to an annuity
21 that is the actuarial equivalent of the member's



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1 accumulated contributions allocable to the period
2 of service;

3 (B) For a member who first earned credited service as
4 a judge after June 30, 1999, but before July 1,
5 2012, and has attained the age of fifty-five, for
6 each year of credited service as a judge, three
7 and one-half per cent of the member's average
8 final compensation as computed under
9 section 88-81(e)(3), in addition to an annuity
10 that is 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 fifty-five, the member's retirement allowance
14 shall be computed as though the member had
15 attained age fifty-five, reduced for age as
16 provided in subsection (e); and

17 (C) For a member who first earned credited service as
18 a judge after June 30, 2012, but before July 1,
19 2023, and has attained the age of sixty, for each
20 year of credited service as a judge, three per
21 cent of the member's average final compensation



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

10 (6) For each year of credited service not included in
11 paragraph (1), (2), (3), (4), or (5), the average
12 final compensation as computed under
13 section 88-81(e) (4) shall be multiplied by two per
14 cent for credited service earned as a class A or class
15 H member, two and one-half per cent for credited
16 service earned as a class B member, and one and
17 one-quarter per cent for credited service earned as a
18 class C member. If the member has not attained age
19 fifty-five, the member's retirement allowance shall be
20 computed as though the member had attained age



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

18 2. By amending subsections (f) through (h) to read:
19 "(f) If a member, who becomes a member after June 30,
20 2012, has attained age sixty, the member's maximum retirement
21 allowance shall be one and three-fourths per cent of the



1 member's average final compensation multiplied by the total
2 number of years of the member's credited service as a class A
3 and class B member, excluding any credited service as a judge,
4 elective officer, or legislative officer^[7] who first earned
5 credited service as a judge, elective officer, or legislative
6 officer before July 1, 2023, plus a retirement allowance of one
7 and one-fourth per cent of the member's average final
8 compensation multiplied by the total number of years of prior
9 credited service as a class C member, plus a retirement
10 allowance of one and three-fourths per cent of the member's
11 average final compensation multiplied by the total number of
12 years of prior credited service as a class H member; provided
13 that:

14 (1) If the member has at least ten years of credited
15 service of which the last five or more years prior to
16 retirement is credited service as a firefighter,
17 police officer, or an investigator of the department
18 of the prosecuting attorney;

19 (2) If the member has at least ten years of credited
20 service of which the last five or more years prior to



- 1 retirement is credited service as a corrections
2 officer;
- 3 (3) If the member has at least ten years of credited
4 service of which the last five or more years prior to
5 retirement is credited service as an investigator of
6 the department of the attorney general;
- 7 (4) If the member has at least ten years of credited
8 service of which the last five or more years prior to
9 retirement is credited service as a narcotics
10 enforcement investigator;
- 11 (5) If the member has at least ten years of credited
12 service, of which the last five or more years prior to
13 retirement is credited service as a public safety
14 investigations staff investigator;
- 15 (6) If the member:
- 16 (A) Has at least ten years of credited service as a
17 firefighter;
- 18 (B) Is deemed permanently medically disqualified due
19 to a service related disability to be a
20 firefighter by the employer's physician; and



1 (C) Continues employment in a class A or class B
2 position other than a firefighter; and
3 (7) If the member:
4 (A) Has at least ten years of credited service as a
5 police officer;
6 (B) Is deemed permanently medically disqualified due
7 to a service related disability to be a police
8 officer by the employer's physician; and
9 (C) Continues employment in a class A or class B
10 position other than a police officer,
11 then for each year of service as a firefighter, police officer,
12 corrections officer, investigator of the department of the
13 prosecuting attorney, investigator of the department of the
14 attorney general, narcotics enforcement investigator, or public
15 safety investigations staff investigator, the retirement
16 allowance shall be two and one-fourth per cent of the member's
17 average final compensation. The maximum retirement allowance
18 for those members shall not exceed eighty per cent of the
19 member's average final compensation. If the member has not
20 attained age sixty, the member's retirement allowance shall be



1 computed as though the member had attained age sixty, reduced
2 for age as provided in subsection (i).

3 (g) If a member, who becomes a member after June 30, 2012,
4 [~~has~~] and who first earned credited service as a judge~~[7]~~ before
5 July 1, 2023, the member's retirement allowance shall be
6 computed on the following basis:

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

16 (2) For a judge with other credited service, as provided
17 in subsection (f). If the member has not attained age
18 sixty, the member's retirement allowance shall be
19 computed as though the member had attained age sixty,
20 reduced for age as provided in subsection (i); and



1 (3) For a judge with credited service as an elective
2 officer or as a legislative officer, as provided in
3 subsection (h).

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

17 (h) If a member, who becomes a member after June 30, 2012,
18 [~~has~~] and who first earned credited service as an elective
19 officer or as a legislative officer[~~r~~] before July 1, 2023, the
20 member's retirement allowance shall be derived by adding the



1 allowances computed separately under paragraphs (1), (2), (3),
2 and (4) as follows:

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

9 (2) Irrespective of age, for each year of credited service
10 as a legislative officer, three per cent of the
11 member's average final compensation as computed under
12 section 88-81(f) (2), in addition to an annuity that is
13 the actuarial equivalent of the member's accumulated
14 contributions allocable to the period of service;

15 (3) For each year of credited service as a judge~~[7]~~ and
16 the member first earned credited service as a judge
17 before July 1, 2023, three per cent of the member's
18 average final compensation as computed under
19 section 88-81(f) (3), in addition to an annuity that is
20 the actuarial equivalent of the member's accumulated
21 contributions allocable to the period of service. If



1 the member has not attained age sixty, the member's
2 retirement allowance shall be computed as though the
3 member had attained age sixty, reduced for age as
4 provided in subsection (i); and

5 (4) For each year of credited service not included in
6 paragraph (1), (2), or (3), the average final
7 compensation as computed under section 88-81(f) (4)
8 shall be multiplied by one and three-fourth per cent
9 for credited service earned as a class A or class H
10 member, two and one-fourth per cent for credited
11 service earned as a class B member, and one and
12 one-fourth per cent for credited service earned as a
13 class C member. If the member has not attained age
14 sixty, the member's retirement allowance shall be
15 computed as though the member had attained age sixty,
16 reduced for age as provided in subsection (i).

17 The total retirement allowance shall not exceed seventy-five per
18 cent of the member's highest average final compensation
19 calculated under section 88-81(f) (1), (2), (3), or (4). If the
20 allowance exceeds this limit, it shall be adjusted by reducing
21 any annuity accrued under paragraphs (1), (2), and (3) and the



1 portion of the accumulated contributions specified in these
2 paragraphs in excess of the requirements of the reduced annuity
3 shall be returned to the member upon the member's retirement or
4 paid to the member's designated beneficiary upon the member's
5 death while in service or while on authorized leave without pay.
6 If a member has service credit as an elective officer or as a
7 legislative officer in addition to service credit as a judge,
8 then the retirement benefit calculation contained in this
9 subsection shall supersede the formula contained in subsection
10 (g)."

11 SECTION 4. Section 88-321, Hawaii Revised Statutes, is
12 amended by amending subsection (c) to read as follows:

13 "(c) The following members may not elect to become a class
14 H member under subsection (a):

15 (1) Judges, elected officials, and legislative officers[+]
16 in service prior to July 1, 2023;

17 (2) Investigators of the department of the attorney
18 general, narcotics enforcement investigators, water
19 safety officers not making the election under
20 section 88-271, prosecuting attorney investigators not
21 making the election under section 88-271, corrections



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1 officers not making the election under section 88-271,
 2 and public safety investigations staff investigators;
 3 (3) Police officers and firefighters;
 4 (4) All employees who were members on July 1, 1957, who
 5 elected not to be covered by the Social Security Act;
 6 (5) Former class A, B, or C retirants; and
 7 (6) Any former class A or class B member who received a
 8 refund of contributions picked up and paid by the
 9 member's employer pursuant to section 88-46(b), unless
 10 the refund was made pursuant to section 88-96 or
 11 88-271(b), including any class C member whose
 12 contributions were refunded to the member pursuant to
 13 section 88-46.5 in the form in which it existed at any
 14 time prior to July 1, 2006."

15 SECTION 5. Statutory material to be repealed is bracketed
 16 and stricken. New statutory material is underscored.

17 SECTION 6. This Act shall take effect upon its approval.

18

INTRODUCED BY:



JAN 25 2023



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Report Title:

ERS; Judges; Elected Officials; Legislative Officers

Description:

Requires that individuals who first begin employment as a judge, elected official, or legislative officer after 6/30/2023, be subject to the same Employees' Retirement System benefits as other state or county employees who began their employment after 6/30/2012.

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

