

JAN 19 2024

A BILL FOR AN ACT

RELATING TO ALLOWANCE ON SERVICE RETIREMENTS.

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

1 SECTION 1. Section 88-21, Hawaii Revised Statutes, is
2 amended by adding five new definitions to be appropriately
3 inserted and to read as follows:

4 "Department of law enforcement investigator" means a
5 person with police powers regularly employed by the department
6 of law enforcement who holds the personnel class specification
7 of investigator, including investigators of the department of
8 the attorney general who are transferred to the department of
9 law enforcement as provided in Act 278, Session Laws of Hawaii
10 2022.

11 "Deputy director of the department of law enforcement"
12 means a person appointed by the director of law enforcement to
13 regularly serve as a deputy director of the department of law
14 enforcement.

15 "Law enforcement investigations staff investigator" means
16 an employee in the investigations staff office of the department
17 of law enforcement who has been conferred police powers by the



1 director of law enforcement in accordance with section 353C-4
2 and are in the positions of investigator I to VII.

3 "Sheriff" means a person who serves as the administrator of
4 the sheriff division of the department of law enforcement.

5 "Sheriff division investigator" means a person regularly
6 employed by the department of law enforcement with police powers
7 who hold the personnel class specification of investigator."

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

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

13 (1) Class A shall consist of:

14 (A) Judges, elected officials, and legislative
15 officers;

16 (B) Investigators of the department of the attorney
17 general, narcotics enforcement investigators,
18 water safety officers not making the election
19 under section 88-271, and law enforcement
20 investigations staff investigators;



1 (C) Those members in service prior to July 1, 1984,
2 including those who are on approved leave of
3 absence, not making the election to become a
4 class C member as provided in part VII or to
5 become a class H member as provided in part VIII;

6 (D) The following members in service prior to July 1,
7 2006, including those who are on approved leave
8 of absence, not making the election to become a
9 class H member as provided in part VIII:

10 (i) Members whose salaries are set forth in
11 sections 26-52 and 26-53 and their county
12 counterparts, managing directors or an
13 administrative assistant to the mayor, other
14 county department heads, and agency heads
15 appointed and subject to removal by the
16 mayor;

17 (ii) First deputies appointed by the county
18 attorney and prosecuting attorney;

19 (iii) The county clerk and deputy county clerk of
20 each county;



- 1 (iv) The directors of the offices of council
- 2 services of the county of Maui and the city
- 3 and county of Honolulu;
- 4 (v) The administrative director of the courts;
- 5 (vi) The deputy administrative director of the
- 6 courts;
- 7 (vii) The executive officer of the labor and
- 8 industrial relations appeals board; and
- 9 (viii) The executive officer of the Hawaii labor
- 10 relations board;
- 11 (E) All former class A retirants who return to
- 12 employment after June 30, 1984, requiring the
- 13 retirant's active membership; [~~and~~]
- 14 (F) All former class B retirants who return to
- 15 employment requiring the retirant's active
- 16 membership, except for:
- 17 (i) Former retirants who return in the positions
- 18 of police officer or firefighter;
- 19 (ii) Former retirants who were members on July 1,
- 20 1957, who elected not to be covered by the
- 21 Social Security Act; and



1 (iii) Former retirants who were in positions to
2 which coverage under Title II of the Social
3 Security Act was not extended who entered
4 membership after June 30, 1957, but before
5 January 1, 2004; and

6 (G) The following members of the department of law
7 enforcement, effective July 1, 2023:

8 (i) The director of law enforcement; provided
9 that the member shall have already been
10 employed as a class A member prior to
11 appointment as the director of law
12 enforcement;

13 (ii) The deputy directors of the department of
14 law enforcement; provided that the members
15 shall have already been employed as class A
16 members prior to appointment as deputy
17 directors of law enforcement;

18 (iii) Department of law enforcement investigators;

19 (iv) The sheriff; provided that the member shall
20 have already been employed as a class A
21 member prior to appointment as sheriff; and



- 1 (v) Sheriff division investigators;
- 2 (2) Class B shall consist of:
 - 3 (A) Police officers and firefighters, including
 - 4 former retirants who return to service in such
 - 5 capacity;
 - 6 (B) All employees, including former retirants, who
 - 7 were members on July 1, 1957, who elected not to
 - 8 be covered by the Social Security Act; and
 - 9 (C) All employees, including former retirants, in
 - 10 positions to which coverage under Title II of the
 - 11 Social Security Act is not extended, who enter
 - 12 membership after June 30, 1957, but before
 - 13 January 1, 2004, not making the election to
 - 14 become a class H member as provided in part VIII;
- 15 (3) Except for members described in paragraphs (1) and
- 16 (2), class C shall consist of all employees, not
- 17 making the election to become a class H member as
- 18 provided in part VIII, who:
 - 19 (A) First enter service after June 30, 1984, but
 - 20 before July 1, 2006;



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 section
14 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 3. Section 88-74, Hawaii Revised Statutes, is
21 amended as follows:



1 1. By amending subsection (b) to read:

2 "(b) If a member, who became a member before July 1, 2012,
3 has attained age fifty-five, the member's maximum retirement
4 allowance shall be two per cent of the member's average final
5 compensation multiplied by the total number of years of the
6 member's credited service as a class A and class B member,
7 excluding any credited service as a judge, elective officer, or
8 legislative officer, plus a retirement allowance of one and one-
9 fourth per cent of the member's average final compensation
10 multiplied by the total number of years of prior credited
11 service as a class C member, plus a retirement allowance of two
12 per cent of the member's average final compensation multiplied
13 by the total number of years of prior credited service as a
14 class H member; provided that:

15 (1) After June 30, 1968, if the member has at least ten
16 years of credited service of which the last five or
17 more years prior to retirement is credited service as
18 a firefighter, police officer, or an investigator of
19 the department of the prosecuting attorney;

20 (2) After June 30, 1977, if the member has at least ten
21 years of credited service of which the last five or



1 more years prior to retirement is credited service as
2 a corrections officer;

3 (3) After June 16, 1981, 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 an investigator of the department of the attorney
7 general;

8 (4) After June 30, 1989, 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 narcotics enforcement investigator;

12 (5) After December 31, 1993, if the member has at least
13 ten years of credited service of which the last five
14 or more years prior to retirement is credited service
15 as a water safety officer;

16 (6) After June 30, 1994, if the member has at least ten
17 years of credited service, of which the last five or
18 more years prior to retirement are credited service as
19 a law enforcement investigations staff investigator;

20 (7) After June 30, 2002, if the member:



1 (A) Has at least ten years of credited service as a
2 firefighter;

3 (B) Is deemed permanently medically disqualified due
4 to a service related disability to be a
5 firefighter by the employer's physician; and

6 (C) Continues employment in a class A or B position
7 other than a firefighter; [~~and~~]

8 (8) After June 30, 2004, if the member:

9 (A) Has at least ten years of credited service as a
10 police officer;

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

14 (C) Continues employment in a class A or B position
15 other than a police officer; and

16 (9) After July 1, 2023, if the member has at least ten
17 years of credited service, of which the last five or
18 more years prior to retirement are credited service as
19 the director of law enforcement, deputy director of
20 the department of law enforcement, the sheriff,
21 department of law enforcement investigator, or sheriff



1 division investigator; provided further that
2 paragraphs (1), (2), (3), (4), (5), and (6) shall
3 continue to apply to the retirement for those members
4 already employed prior to the enactment of Act 278,
5 Session Laws of Hawaii 2022, as a firefighter, police
6 officer, investigator of the department of the
7 prosecuting attorney, corrections officer,
8 investigator of the department of the attorney
9 general, narcotics enforcement investigator, water
10 safety officer, and public safety investigations staff
11 investigator;

12 then for each year of service as a firefighter, police officer,
13 corrections officer, investigator of the department of the
14 prosecuting attorney, investigator of the department of the
15 attorney general, narcotics enforcement investigator, water
16 safety officer, ~~[or]~~ law enforcement investigations staff
17 investigator, director of law enforcement, deputy director of
18 the department of law enforcement, the sheriff, department of
19 law enforcement investigator, or sheriff division investigator,
20 the retirement allowance shall be two and one-half per cent of
21 the member's average final compensation. The maximum retirement



1 allowance for those members shall not exceed eighty per cent of
2 the member's average final compensation. If the member has not
3 attained age fifty-five, the member's retirement allowance shall
4 be computed as though the member had attained age fifty-five,
5 reduced for age as provided in subsection (e)."

6 2. By amending subsections (e) and (f) to read:

7 "(e) Except as provided in subsections (b), (c), and (d),
8 if a member, who became a member before July 1, 2012, has not
9 attained age fifty-five at the date of retirement, the member's
10 retirement allowance shall be reduced, for each month the
11 member's age at the date of retirement is below age fifty-five,
12 as follows:

13 (1) 0.4166 per cent for each month below age fifty-five
14 and above age forty-nine and eleven months; plus

15 (2) 0.3333 per cent for each month below age fifty and
16 above age forty-four and eleven months; plus

17 (3) 0.2500 per cent for each month below age forty-five
18 and above age thirty-nine and eleven months; plus

19 (4) 0.1666 per cent for each month below age forty;

20 provided that no reduction shall be made if the member has at
21 least twenty-five years of credited service as a firefighter,



1 police officer, corrections officer, investigator of the
2 department of the prosecuting attorney, investigator of the
3 department of the attorney general, narcotics enforcement
4 investigator, law enforcement investigations staff investigator,
5 director of law enforcement, deputy director of the department
6 of law enforcement, the sheriff, department of law enforcement
7 investigator, or sheriff division investigator, sewer worker, or
8 water safety officer, of which the last five or more years prior
9 to retirement is credited service in these capacities.

10 (f) If a member, who becomes a member after June 30, 2012,
11 has attained age sixty, the member's maximum retirement
12 allowance shall be one and three-fourths per cent of the
13 member's average final compensation multiplied by the total
14 number of years of the member's credited service as a class A
15 and class B member, excluding any credited service as a judge,
16 elective officer, or legislative officer, plus a retirement
17 allowance of one and one-fourth per cent of the member's average
18 final compensation multiplied by the total number of years of
19 prior credited service as a class C member, plus a retirement
20 allowance of one and three-fourths per cent of the member's
21 average final compensation multiplied by the total number of



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

3 (1) 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 a firefighter,
6 police officer, or an investigator of the department
7 of the prosecuting attorney;

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

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

16 (4) If the member has at least ten years of credited
17 service of which the last five or more years prior to
18 retirement is credited service as a narcotics
19 enforcement investigator;

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



1 retirement is credited service as a law enforcement
2 investigations staff investigator;

3 (6) 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 a director of law
6 enforcement, deputy director of the department of law
7 enforcement, the sheriff, department of law
8 enforcement investigator, or sheriff division
9 investigator;

10 [~~6~~] (7) If the member:

11 (A) Has at least ten years of credited service as a
12 firefighter;

13 (B) Is deemed permanently medically disqualified due
14 to a service related disability to be a
15 firefighter by the employer's physician; and

16 (C) Continues employment in a class A or class B
17 position other than a firefighter; and

18 [~~7~~] (8) If the member:

19 (A) Has at least ten years of credited service as a
20 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 class B
5 position 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, or law
10 enforcement investigations staff investigator, director of law
11 enforcement, deputy director of the department of law
12 enforcement, the sheriff, department of law enforcement
13 investigator, or sheriff division investigator, the retirement
14 allowance shall be two and one-fourth per cent of the member's
15 average final compensation. The maximum retirement allowance
16 for those members shall not exceed eighty per cent of the
17 member's average final compensation. If the member has not
18 attained age sixty, the member's retirement allowance shall be
19 computed as though the member had attained age sixty, reduced
20 for age as provided in subsection (i)."

21 3. By amending subsection (i) to read:



1 "(i) Except as provided in subsections (f), (g), and (h),
2 if a member, who becomes a member after June 30, 2012, has not
3 attained age sixty at the date of retirement, the member's
4 retirement allowance shall be reduced, for each month the
5 member's age at the date of retirement is below age sixty, as
6 follows:

7 (1) 0.4166 per cent for each month below age sixty and
8 above age fifty-four and eleven months; plus

9 (2) 0.3333 per cent for each month below age fifty-five
10 and above age forty-nine and eleven months; plus

11 (3) 0.2500 per cent for each month below age fifty and
12 above age forty-four and eleven months; plus

13 (4) 0.1666 per cent for each month below age forty-five;

14 provided that no reduction shall be made if the member has
15 attained the age of fifty-five and has at least twenty-five
16 years of credited service as a firefighter, police officer,
17 corrections officer, investigator of the department of the
18 prosecuting attorney, investigator of the department of the
19 attorney general, narcotics enforcement investigator, law
20 enforcement investigations staff investigator, director of law
21 enforcement, deputy director of the department of law



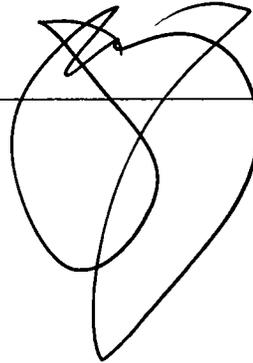
1 enforcement, the sheriff, department of law enforcement
2 investigator, or sheriff division investigator, sewer worker,
3 water safety officer, or emergency medical technician, of which
4 the last five or more years prior to retirement is credited
5 service in these capacities."

6 SECTION 4. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 5. This Act, upon its approval, shall take effect
9 retroactive to July 1, 2023.

10

INTRODUCED BY: _____

A handwritten signature in black ink, consisting of several overlapping loops and curves, positioned over a horizontal line.

S.B. NO. 2846

Report Title:

Retirement for Public Officers and Employees; Allowances;
Pension and Retirement Systems; Law Enforcement Employees

Description:

Amends chapter 88, HRS, to include new definitions for certain law enforcement administrators and employees established in Act 278, SLH 2022, as class A members of the pension and retirement systems and provides guidance for the computation of retirement benefits similar to police officers.

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

