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# A BILL FOR AN ACT

RELATING TO RETIREMENT.

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

1           SECTION 1. The purpose of this Act is to include certain  
2 law enforcement investigators as class A members of the  
3 employees' retirement system beginning July 1, 2026, and to  
4 provide continuation of retirement eligibility and benefits for  
5 certain members of part II of chapter 88, Hawaii Revised  
6 Statutes, defined within that were previously credited as class  
7 A or class B service.

8           SECTION 2. Section 88-21, Hawaii Revised Statutes, is  
9 amended as follows:

10           1. By adding six new definitions to be appropriately  
11 inserted and to read:

12           "Adjutant general" means a person appointed by the  
13 governor to regularly serve as the director of defense.

14           "Deputy adjutant general" means a person appointed by the  
15 adjutant general to regularly serve as the deputy director of  
16 defense.



1       "Deputy director of law enforcement" means a person  
2 appointed by the director of law enforcement to regularly serve  
3 as a deputy director of law enforcement.

4       "Deputy fire marshal" means a person appointed by the fire  
5 marshal to regularly serve as the deputy state fire marshal of  
6 the office of the state fire marshal.

7       "Director of law enforcement" means the person appointed by  
8 the governor to regularly serve as director of law enforcement.

9       "Fire marshal" means the person appointed by the state fire  
10 marshal selection commission to regularly serve as the  
11 administrator of the office of the state fire marshal."

12       2. By amending the definition of "law enforcement  
13 investigations staff investigators" to read:

14       "Law enforcement [~~investigations staff~~] investigators"  
15 means those employees in the [~~investigations staff office of~~  
16 ~~the~~] department of law enforcement who have been conferred  
17 police powers by the director of law enforcement in accordance  
18 with section 353C-4 and are in [~~the~~] investigator positions [~~of~~  
19 ~~investigator I to VII.~~]. "Law enforcement investigators"  
20 includes the chief investigator and chief special investigator  
21 positions effective July 1, 2026."



1 SECTION 3. Section 88-45, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "**§88-45 Employee contributions.** After June 30, 1988, each  
4 class A and class B member shall contribute seven and eight-  
5 tenths per cent of the member's compensation to the annuity  
6 savings fund; provided that after June 30, 1989, all  
7 firefighters, police officers, corrections officers,  
8 investigators of the departments of the prosecuting attorney and  
9 of the attorney general, narcotics enforcement investigators,  
10 water safety officers not making the election under section 88-  
11 271, and law enforcement [~~investigations staff~~] investigators  
12 shall contribute twelve and two-tenths per cent of their  
13 compensation to the annuity savings fund for service in that  
14 capacity; provided further that each class A and class B member  
15 who becomes a member after June 30, 2012, shall contribute nine  
16 and eight-tenths per cent of the member's compensation to the  
17 annuity savings fund; provided further that all firefighters,  
18 police officers, corrections officers, investigators of the  
19 departments of the prosecuting attorney and of the attorney  
20 general, narcotics enforcement investigators, and law  
21 enforcement [~~investigations staff~~] investigators who become



1 members after June 30, 2012, shall contribute fourteen and two-  
2 tenths per cent of their compensation to the annuity savings  
3 fund for service in that capacity."

4 SECTION 4. Section 88-47, Hawaii Revised Statutes, is  
5 amended by amending subsection (a) to read as follows:

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

9 (1) Class A shall consist of:

10 (A) Members first employed as judges before July 1,  
11 2031, elected officials, and legislative  
12 officers;

13 (B) Investigators of the department of the attorney  
14 general, narcotics enforcement investigators,  
15 water safety officers not making the election  
16 under section 88-271, and law enforcement  
17 [~~investigations staff~~] investigators;

18 (C) Those members in service [~~prior to~~] before July  
19 1, 1984, including those who are on approved  
20 leave of absence, not making the election to  
21 become a class C member as provided in part VII



1 or to become a class H member as provided in part  
2 VIII;

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

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

15 (ii) First deputies appointed by the county  
16 attorney and prosecuting attorney;

17 (iii) The county clerk and deputy county clerk of  
18 each county;

19 (iv) The directors of the offices of council  
20 services of the county of Maui and the city  
21 and county of Honolulu;



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



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;



- 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 88-
- 14 96(b);
- 15 (C) Make the election to become a class H member as
- 16 provided in part VIII;
- 17 (D) Are former class H retirants who return to
- 18 service requiring the retirant's active
- 19 membership; or
- 20 (E) Are first employed as a judge after June 30,
- 21 2031."

1 SECTION 5. Section 88-74, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "**§88-74 Allowance on service retirement.** (a) Upon  
4 retirement from service, a member shall receive a maximum  
5 retirement allowance as provided in this section.

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

19 (1) After June 30, 1968, if the member has at least ten  
20 years of credited service of which the last five or  
21 more years [~~prior to~~] before retirement is credited



1 service as a firefighter, police officer, or an  
2 investigator of the department of the prosecuting  
3 attorney;

4 (2) After June 30, 1977, if the member has at least ten  
5 years of credited service of which the last five or  
6 more years [~~prior to~~] before retirement is credited  
7 service as a corrections officer;

8 (3) After June 16, 1981, if the member has at least ten  
9 years of credited service of which the last five or  
10 more years [~~prior to~~] before retirement is credited  
11 service as an investigator of the department of the  
12 attorney general;

13 (4) After June 30, 1989, if the member has at least ten  
14 years of credited service of which the last five or  
15 more years [~~prior to~~] before retirement is credited  
16 service as a narcotics enforcement investigator;

17 (5) After December 31, 1993, if the member has at least  
18 ten years of credited service of which the last five  
19 or more years [~~prior to~~] before retirement is credited  
20 service as a water safety officer;



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



1 (C) Continues employment in a class A or B position  
2 other than a police officer; and  
3 (9) After June 30, 2026, if the member has at least ten  
4 years of credited service, of which the last five or  
5 more years before retirement are credited service as  
6 an:  
7 (A) Adjutant general;  
8 (B) Deputy adjutant general;  
9 (C) Deputy director of law enforcement;  
10 (D) Deputy fire marshal;  
11 (E) Director of law enforcement; or  
12 (F) Fire marshal,  
13 then the member would be entitled to have the years of  
14 service credited under paragraphs (1), (2), (3), (4),  
15 (5), (6), (7), and (8) to be calculated as provided in  
16 this subsection,  
17 then for each year of service as a firefighter, police officer,  
18 corrections officer, investigator of the department of the  
19 prosecuting attorney, investigator of the department of the  
20 attorney general, narcotics enforcement investigator, water  
21 safety officer, or law enforcement [~~investigations staff~~]



1 investigator, the retirement allowance shall be two and one-half  
2 per cent of the member's average final compensation~~[+]~~; provided  
3 that members with credited service as an adjutant general,  
4 deputy adjutant general, deputy director of law enforcement,  
5 deputy fire marshal, director of law enforcement, or fire  
6 marshal, would have each year of credited service as an adjutant  
7 general, deputy adjutant general, deputy director of law  
8 enforcement, deputy fire marshal, director of law enforcement,  
9 or fire marshal, the retirement allowance shall be two per cent  
10 of the member's average final compensation as computed under  
11 section 88-81(f). The maximum retirement allowance for those  
12 members shall not exceed eighty per cent of the member's average  
13 final compensation. If the member has not attained age fifty-  
14 five, the member's retirement allowance shall be computed as  
15 though the member had attained age fifty-five, reduced for age  
16 as provided in subsection ~~[(e)-]~~ (f).

17 (c) If a member, who became a member ~~[prior to]~~ before  
18 July 1, 2012, has credited service as a judge, the member's  
19 retirement allowance shall be computed on the following basis:

20 (1) For a member who has credited service as a judge  
21 before July 1, 1999, irrespective of age, for each



1 year of credited service as a judge, three and one-  
2 half per cent of the member's average final  
3 compensation in addition to an annuity that is the  
4 actuarial equivalent of the member's accumulated  
5 contributions allocable to the period of service;

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

17 (3) For a member who first earned credited service as a  
18 judge after June 30, 2012, for each year of credited  
19 service as a judge, three per cent of the member's  
20 average final compensation in addition to an annuity  
21 that is the actuarial equivalent of the member's



1 accumulated contributions allocable to the period of  
2 service. If the member has not attained age sixty,  
3 the member's retirement allowance shall be computed as  
4 though the member had attained age sixty, reduced for  
5 age as provided in subsection [~~(i)~~] (k);

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

12 (5) For a judge with credited service as an elective  
13 officer or as a legislative officer, as provided in  
14 subsection (d).

15 No allowance shall exceed seventy-five per cent of the member's  
16 average final compensation. If the allowance exceeds this  
17 limit, it shall be adjusted by reducing the annuity included in  
18 paragraphs (1), (2), and (3) and the portion of the accumulated  
19 contributions specified in paragraphs (1), (2), and (3) in  
20 excess of the requirements of the reduced annuity shall be  
21 returned to the member upon the member's retirement or paid to



1 the member's designated beneficiary upon the member's death  
2 while in service or while on authorized leave without pay. The  
3 allowance for judges under this subsection, together with the  
4 retirement allowance provided by the federal government for  
5 similar service, shall in no case exceed seventy-five per cent  
6 of the member's average final compensation.

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

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

20 (2) For a member[r] who first earned credited service as  
21 an elective officer after June 30, 2012, irrespective



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

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

15 (4) For a member who first earned credited service as a  
16 legislative officer after June 30, 2012, irrespective  
17 of age, for each year of credited service as a  
18 legislative officer, three per cent of the member's  
19 average final compensation as computed under section  
20 88-81(e) (2), in addition to an annuity that is the



1 actuarial equivalent of the member's accumulated  
2 contributions allocable to the period of service;

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

6 (A) For a member who has credited service as a judge  
7 before July 1, 1999, irrespective of age, for  
8 each year of credited service as a judge, three  
9 and one-half per cent of the member's average  
10 final compensation as computed under section 88-  
11 81(e) (3), 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 (B) For a member who first earned credited service as  
15 a judge after June 30, 1999, but before July 1,  
16 2012, and has attained the age of fifty-five, 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 section 88-  
20 81(e) (3), in addition to an annuity that is the  
21 actuarial equivalent of the member's accumulated



1 contributions allocable to the period of service.

2 If the member has not attained age fifty-five,

3 the member's retirement allowance shall be

4 computed as though the member had attained age

5 fifty-five, reduced for age as provided in

6 subsection ~~[(e)]~~ (f);

7 (C) For a member who first earned credited service as

8 a judge after June 30, 2012, but before July 1,

9 2031, and has attained the age of sixty, for each

10 year of credited service as a judge, three per

11 cent of the member's average final compensation

12 as computed under section 88-81(e)(3), in

13 addition to an annuity that is the actuarial

14 equivalent of the member's accumulated

15 contributions allocable to the period of service.

16 If the member has not attained age sixty, the

17 member's retirement allowance shall be computed

18 as though the member had attained age sixty,

19 reduced for age as provided in subsection ~~[(i)]~~

20 (k); and



- 1 (D) For a member who first earned credited service as  
2 a judge after June 30, 2031, and has attained the  
3 age of sixty, for each year of credited service  
4 as a judge, one and three-fourths per cent of the  
5 member's average final compensation as computed  
6 under section 88-81(e)(3), in addition to an  
7 annuity that is the actuarial equivalent of the  
8 member's accumulated contributions allocable to  
9 the period of service. If the member has not  
10 attained age sixty, the member's retirement  
11 allowance shall be computed as though the member  
12 had attained age sixty, reduced for age as  
13 provided in subsection [~~(i)~~] (k); and
- 14 (6) For each year of credited service not included in  
15 paragraph (1), (2), (3), (4), or (5), the average  
16 final compensation as computed under section 88-  
17 81(e)(4) shall be multiplied by two per cent for  
18 credited service earned as a class A or class H  
19 member, two and one-half per cent for credited service  
20 earned as a class B member, and one and one-quarter  
21 per cent for credited service earned as a class C



1 member. If the member has not attained age fifty-  
2 five, the member's retirement allowance shall be  
3 computed as though the member had attained age fifty-  
4 five, reduced for age as provided in subsection [~~(e)~~.]  
5 (f).

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



1           ~~[(e)]~~ (f) Except as provided in subsections (b), (c),  
2 ~~[and]~~ (d), and (e), if a member, who became a member before July  
3 1, 2012, has not attained age fifty-five at the date of  
4 retirement, the member's retirement allowance shall be reduced,  
5 for each month the member's age at the date of retirement is  
6 below age fifty-five, as follows:

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

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

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

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

14 provided that no reduction shall be made if the member has at  
15 least twenty-five years of credited service as a firefighter,  
16 police officer, corrections officer, investigator of the  
17 department of the prosecuting attorney, investigator of the  
18 department of the attorney general, narcotics enforcement  
19 investigator, law enforcement ~~[investigations staff]~~  
20 investigator, sewer worker, or water safety officer, of which



1 the last five or more years [~~prior to~~] before retirement is  
2 credited service in these capacities.

3 [~~(f)~~] (g) If a member, who becomes a member after June 30,  
4 2012, has attained age sixty, the member's maximum retirement  
5 allowance shall be one and three-fourths per cent of the  
6 member's average final compensation multiplied by the total  
7 number of years of the member's credited service as a class A  
8 and class B member, excluding any credited service as a judge,  
9 elective officer, or legislative officer, plus a retirement  
10 allowance of one and one-fourth per cent of the member's average  
11 final compensation multiplied by the total number of years of  
12 prior credited service as a class C member, plus a retirement  
13 allowance of one and three-fourths per cent of the member's  
14 average final compensation multiplied by the total number of  
15 years of prior credited service as a class H member; provided  
16 that:

17 (1) If the member has at least ten years of credited  
18 service of which the last five or more years [~~prior~~  
19 ~~to~~] before retirement is credited service as a  
20 firefighter, police officer, or an investigator of the  
21 department of the prosecuting attorney;



- 1 (2) If the member has at least ten years of credited  
2 service of which the last five or more years [~~prior~~  
3 ~~to~~] before retirement is credited service as a  
4 corrections officer;
- 5 (3) If the member has at least ten years of credited  
6 service of which the last five or more years [~~prior~~  
7 ~~to~~] before retirement is credited service as an  
8 investigator of the department of the attorney  
9 general;
- 10 (4) If the member has at least ten years of credited  
11 service of which the last five or more years [~~prior~~  
12 ~~to~~] before retirement is credited service as a  
13 narcotics enforcement investigator;
- 14 (5) If the member has at least ten years of credited  
15 service, of which the last five or more years [~~prior~~  
16 ~~to~~] before retirement is credited service as a law  
17 enforcement [~~investigations staff~~] investigator;
- 18 (6) If the member:
- 19 (A) Has at least ten years of credited service as a  
20 firefighter;



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



1 member's average final compensation. If the member has not  
2 attained age sixty, the member's retirement allowance shall be  
3 computed as though the member had attained age sixty, reduced  
4 for age as provided in subsection [~~(i)~~] (k).

5 [~~(g)~~] (h) If a member, who becomes a member after June 30,  
6 2012, has credited service as a judge, the member's retirement  
7 allowance shall be computed on the following basis:

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

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



1           age sixty, reduced for age as provided in subsection  
2           ~~[(i)]~~ (k); and

3           (3) For a judge with credited service as an elective  
4           officer or as a legislative officer, as provided in  
5           subsection ~~[(h)]~~ (i).

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

19           ~~[(h)]~~ (i) If a member, who becomes a member after June 30,  
20 2012, has credited service as an elective officer or as a  
21 legislative officer, the member's retirement allowance shall be



1 derived by adding the allowances computed separately under  
2 paragraphs (1), (2), (3), 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 section  
6 [~~88-81(f)(1)~~], 88-81(g)(1), in addition to an annuity  
7 that is the actuarial equivalent of the member's  
8 accumulated contributions allocable to the period of  
9 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)~~], 88-81(g)(2), in addition to an  
14 annuity that is the actuarial equivalent of the  
15 member's accumulated contributions allocable to the  
16 period of service;

17 (3) For each year of credited service as a judge, three  
18 per cent of the member's average final compensation as  
19 computed under section [~~88-81(f)(3)~~], 88-81(g)(3), in  
20 addition to an annuity that is the actuarial  
21 equivalent of the member's accumulated contributions



1 allocable to the period of service. If the member has  
2 not attained age sixty, the member's retirement  
3 allowance shall be computed as though the member had  
4 attained age sixty, reduced for age as provided in  
5 subsection ~~[(i)]~~ (k); and

6 (4) For each year of credited service not included in  
7 paragraph (1), (2), or (3), the average final  
8 compensation as computed under section ~~[88-81(f)(4)]~~  
9 88-81(g)(4) shall be multiplied by one and three-  
10 fourth per cent for credited service earned as a class  
11 A or class H member, two and one-fourth per cent for  
12 credited service earned as a class B member, and one  
13 and one-fourth per cent for credited service earned as  
14 a class C member. 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 sixty,  
17 reduced for age as provided in subsection ~~[(i)]~~ (k).

18 The total retirement allowance shall not exceed seventy-five per  
19 cent of the member's highest average final compensation  
20 calculated under section ~~[88-81(f)(1)]~~ 88-81(g)(1), (2), (3),  
21 or (4). If the allowance exceeds this limit, it shall be



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

12 (j) If a member, who became a member after June 30, 2012,  
13 has credited service as the adjutant general, deputy adjutant  
14 general, director of law enforcement, deputy director of law  
15 enforcement, fire marshal, or deputy fire marshal, the member's  
16 retirement allowance shall be derived by adding the allowances  
17 computed separately as follows:

18 (1) For a member who has credited service as a  
19 firefighter, police officer, or investigator of the  
20 department of the prosecuting attorney after June 30,  
21 2012, for each year of credited service as a



1 firefighter, police officer, or investigator of the  
2 department of the prosecuting attorney, two and one-  
3 quarter per cent of the member's average final  
4 compensation;

5 (2) For a member who has credited service as a corrections  
6 officer after June 30, 2012, for each year of credited  
7 service as a corrections officer, two and one-quarter  
8 per cent of the member's average final compensation;

9 (3) For a member who has credited service as an  
10 investigator of the department of the attorney general  
11 after June 30, 2012, for each year of credited service  
12 as an investigator of the department of the attorney  
13 general, two and one-quarter per cent of the member's  
14 average final compensation;

15 (4) For a member who has credited service as a narcotics  
16 enforcement investigator after June 30, 2012, for each  
17 year of credited service as a narcotics enforcement  
18 investigator, two and one-quarter per cent of the  
19 member's average final compensation;

20 (5) For a member who has credited service as a law  
21 enforcement investigator after June 30, 2012, for each



1 year of credited service as a law enforcement  
2 investigator, two and one-quarter per cent of the  
3 member's average final compensation;

4 (6) For a member who has credited service as the adjutant  
5 general, deputy adjutant general, director of law  
6 enforcement, deputy director of law enforcement, fire  
7 marshal, or deputy fire marshal, for each year of  
8 credited service as the adjutant general, deputy  
9 adjutant general, director of law enforcement, deputy  
10 director of law enforcement, fire marshal, or deputy  
11 fire marshal, one and three-fourths per cent of the  
12 member's average final compensation; and

13 (7) For each year of credited service not included in  
14 paragraph (1), (2), (3), (4), (5), or (6), the average  
15 final compensation calculated under section 88-81(b)  
16 (1), (2), or (3) shall be multiplied by one and three-  
17 fourths per cent of the member's average final  
18 compensation. If the member has not attained age  
19 sixty, the member's retirement allowance shall be  
20 computed as though the member had attained age sixty,  
21 reduced for age as provided in subsection (k).



1           ~~(i)~~ (k) Except as provided in subsections ~~(f),~~ (g),  
2   ~~and~~ (h), (i), and (j), if a member, who becomes a member after  
3   June 30, 2012, has not attained age sixty at the date of  
4   retirement, the member's retirement allowance shall be reduced,  
5   for each month the member's age at the date of retirement is  
6   below age sixty, as 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, sewer worker,  
21   water safety officer, or emergency medical technician, of which



1 the last five or more years [~~prior to~~] before retirement is  
2 credited service in these capacities."

3 SECTION 6. Section 88-74.6, Hawaii Revised Statutes, is  
4 amended to read as follows:

5 "**§88-74.6 Unreduced allowance on service retirement; when**  
6 **applicable.** In addition to those positions identified in  
7 section [~~88-74(e)~~] 88-74(f) and notwithstanding any law in this  
8 part that requires a member to attain age fifty-five to qualify  
9 for an unreduced service retirement allowance, if a member, who  
10 became a member before July 1, 2012, has at least:

- 11 (1) Thirty years of credited service through June 30,  
12 2003;
- 13 (2) Twenty-nine years of credited service on or after  
14 July 1, 2004;
- 15 (3) Twenty-eight years of credited service on or after  
16 July 1, 2005;
- 17 (4) Twenty-seven years of credited service on or after  
18 July 1, 2006;
- 19 (5) Twenty-six years of credited service on or after  
20 July 1, 2007; or



1           (6) Twenty-five years of credited service on or after  
2           July 1, 2008,  
3 as an emergency medical technician, of which the last five or  
4 more years [~~prior to~~] before retirement is credited service in  
5 that capacity, then upon retirement and irrespective of age,  
6 that member's service retirement allowance shall not be reduced  
7 for actuarial purposes."

8           SECTION 7. Section 88-76, Hawaii Revised Statutes, is  
9 amended to read as follows:

10           "**§88-76 Allowance on ordinary disability retirement.** Upon  
11 retirement for ordinary disability, a member shall receive a  
12 maximum retirement allowance of one and three-fourths per cent  
13 of the member's average final compensation for each year of  
14 credited service; except that for each year of credited service  
15 as a judge, an elective officer, or a legislative officer, the  
16 member shall receive a maximum retirement allowance computed as  
17 provided in section 88-74(c), (d), [~~(g), or~~] (h), or (i), as  
18 applicable. The minimum retirement allowance payable under this  
19 section shall be thirty per cent of the member's average final  
20 compensation."



1 SECTION 8. Section 88-81, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 **"§88-81 Average final compensation.** (a) Average final  
4 compensation is the average annual compensation, pay, or salary  
5 upon which a member has made contributions as required by parts  
6 II, VII, and VIII of this chapter.

7 (b) The average final compensation of members shall be  
8 calculated as follows:

9 (1) For employees who become members before January 1,  
10 1971:

11 (A) During the member's five highest paid years of  
12 credited service, including vacation pay, or the  
13 three highest paid years of credited service  
14 excluding vacation pay, whichever is greater; or

15 (B) If the member has fewer than three years of  
16 credited service, during the member's actual  
17 years of credited service;

18 (2) For employees who become members after December 31,  
19 1970, but before July 1, 2012:

20 (A) During the member's three highest paid years of  
21 credited service, excluding vacation pay; or



1 (B) If the member has fewer than three years of  
2 credited service, during the member's actual  
3 years of credited service; and

4 (3) For employees who become members after June 30, 2012:

5 (A) During the member's five highest paid years of  
6 credited service, excluding vacation pay; or

7 (B) If the member has fewer than five years of  
8 credited service, during the member's actual  
9 years of credited service.

10 (c) In computing the compensation of a judge, the  
11 compensation paid to the judge by the United States as well as  
12 by the Territory shall be included.

13 (d) For service rendered as a member of the legislature  
14 from and after November 5, 1968, the actual annual salary of a  
15 member shall be the only amount used for determining the  
16 member's average final compensation. For service rendered as a  
17 member of the legislature prior to November 5, 1968, and after  
18 admission of this State into the Union, the annual compensation  
19 of a member shall be computed, for the purpose of determining  
20 the member's average final compensation, as follows:



1           (1) During a year in which a general session was held, it  
2           shall be deemed to have been an amount equal to four  
3           times the salary of a member of the legislature for a  
4           general session; and

5           (2) During a year in which a budget session was held, it  
6           shall be deemed to have been an amount equal to six  
7           times the salary of a member of the legislature for a  
8           budget session.

9 For service rendered as a member of the legislature prior to the  
10 admission of this State into the Union, the annual compensation  
11 of a member shall be deemed to have been four times the salary  
12 of a member of the legislature for a regular session for each  
13 year during the member's term of office.

14           (e) If a member, who became a member before July 1, 2012,  
15 has credited service rendered as an elective officer or as a  
16 legislative officer, the member's average final compensation  
17 shall be computed separately for each category of service as  
18 follows:

19           (1) For the three highest paid years of credited service  
20           as an elective officer, or if the member has fewer



1 than three years of credited service in that capacity,  
2 then the member's actual years of credited service;

3 (2) For the three highest paid years of credited service  
4 as a legislative officer, or if the member has fewer  
5 than three years of credited service in that capacity,  
6 then the member's actual years of credited service;

7 (3) For the three highest paid years of credited service  
8 as a judge, or if the member has fewer than three  
9 years of credited service in that capacity, then the  
10 member's actual years of credited service; and

11 (4) For the three highest paid years of credited service  
12 not included in paragraph (1), (2), or (3), or if the  
13 member has fewer than three years of credited service  
14 in that capacity, then the member's actual years of  
15 credited service.

16 (f) If a member, who became a member before July 1, 2012,  
17 has credited service rendered as the adjutant general, deputy  
18 adjutant general, director of law enforcement, deputy director  
19 of law enforcement, fire marshal, or deputy fire marshal, the  
20 member's average final compensation for that credited service  
21 shall be computed as the three highest paid years of credited



1 service, or if the member has fewer than three years of credited  
2 service in that capacity, then the member's actual years of  
3 credited service, as the adjutant general, deputy adjutant  
4 general, director of law enforcement, deputy director of law  
5 enforcement, fire marshal, or deputy fire marshal;

6 [~~f~~] (g) If a member, who becomes a member after June 30,  
7 2012, has credited service rendered as an elective officer or as  
8 a legislative officer, the member's average final compensation  
9 shall be computed separately for each category of service as  
10 follows:

11 (1) For the five highest paid years of credited service as  
12 an elective officer, or if the member has fewer than  
13 five years of credited service in that capacity, then  
14 the member's actual years of credited service;

15 (2) For the five highest paid years of credited service as  
16 a legislative officer, or if the member has fewer than  
17 five years of credited service in that capacity, then  
18 the member's actual years of credited service;

19 (3) For the five highest paid years of credited service as  
20 a judge, or if the member has fewer than five years of



1 credited service in that capacity, then the member's  
2 actual years of credited service; and

3 (4) For the five highest paid years of credited service  
4 not included in paragraph (1), (2), or (3), or if the  
5 member has fewer than five years of credited service  
6 in that capacity, then the member's actual years of  
7 credited service.

8 (h) If a member, who becomes a member after June 30, 2012,  
9 has credited service rendered as the adjutant general, deputy  
10 adjutant general, director of law enforcement, deputy director  
11 of law enforcement, fire marshal, or deputy fire marshal, the  
12 member's average final compensation shall be computed separately  
13 for each category of service as follows:

14 (1) For the five highest paid years of credited service as  
15 the adjutant general, deputy adjutant general,  
16 director of law enforcement, deputy director of law  
17 enforcement, fire marshal, or deputy fire marshal, or  
18 if the member has fewer than five years of credited  
19 service in that capacity, then the member's actual  
20 years of credited service;



1       (2) For the five highest paid years of credited service as  
2       a firefighter, police officer, investigator of the  
3       department of the prosecuting attorney, corrections  
4       officer, investigator of the department of the  
5       attorney general, narcotics enforcement investigator,  
6       or law enforcement investigator, or if the member has  
7       fewer than five years of credited service in that  
8       capacity, then the member's actual years of credited  
9       service; and

10       (3) For the five highest paid years of credited service  
11       not included in paragraph (1) or (2), or if the member  
12       has fewer than five years of credited service in that  
13       capacity, then the member's actual years of credited  
14       service."

15       SECTION 9. This Act does not affect the rights and duties  
16 that matured or were vested, penalties that were incurred, and  
17 proceedings that were begun before its effective date, including  
18 but not limited to any membership in the employees' retirement  
19 system that was terminated, credited service that was forfeited,  
20 retirement that was finalized, or benefits that were paid.



1 SECTION 10. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3 SECTION 11. This Act shall take effect upon its approval.



**Report Title:**

DLE; Law Enforcement Investigators; Adjutant General; Deputy Adjutant General; Fire Marshal; Deputy Fire Marshal; Director of Law Enforcement; Deputy Director of Law Enforcement; Employees' Retirement System; Allowances; Pension

**Description:**

Includes the Chief Investigator and Chief Special Investigator of the Department of Law Enforcement as class A members of the pension and retirement system. Establishes guidance for the computation of retirement benefits for the Adjutant General, Deputy Adjutant General, Fire Marshal, and Deputy Fire Marshal. (HD2)

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