

ACT 77

S.B.NO.839

A Bill for an Act Relating to the Employees' Retirement System of the State of Hawaii.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Findings and purpose. The purpose of this Act is to extend the effective date of the amendment to paragraph (1) of section 88-74, Hawaii Revised Statutes, effected by Act 165, Session Laws of Hawaii 1982, from July 1, 1982 to January 1, 1983.

The staff of the Employees' Retirement System of the State of Hawaii ("ERS") failed to implement the Act 165 amendment to paragraph (1) of section 88-74, Hawaii Revised Statutes, until on or about December 31, 1982. Prior to

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December 31, 1982 and after the July 1, 1982 effective date of Act 165, the ERS calculated retirement benefits for persons covered by paragraph (1) of section 88-74 pursuant to the practice followed prior to the Act 165 amendment. ERS is aware of three individuals who retired during the period between July 1, 1982 and December 31, 1982, whose benefits were calculated erroneously pursuant to the pre-Act 165 law. Under Act 165 the three individuals' retirement benefits would be significantly reduced. In reliance upon the erroneous retirement benefit information given to them by ERS, the three individuals terminated their employment and retired. The ERS Board of Trustees feels that it has a moral obligation to permit such persons to continue to receive the retirement benefits erroneously calculated by ERS, and, importantly, thereby avoid costs of litigation and the State's potential exposure to liability.

SECTION 2. Act 165, Session Laws of Hawaii 1982, is amended by amending section 6 to read:

"SECTION 6. This Act shall take effect on July 1, 1982[.], except that the amendment to paragraph (1) of section 88-74 by section 2(14) of this Act shall take effect on January 1, 1983."

SECTION 3. Statutory material to be repealed is bracketed. New material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved May 20, 1983.)