

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

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

SECTION 1. Section 88-47, Hawaii Revised Statutes, is amended to read as follows:

"§88-47 Membership. There shall be three classes of members in the system to be known as class A members, class B members, and class C members, defined as follows:

- (1) Class A members shall consist of members covered by section 88-74(3), and those members in service prior to July 1, 1984, including those who are on approved leave of absence, who are covered by Title II of the Social Security Act on account of service creditable under this part. These members shall consist of:
 - (A) All employees who enter the membership of the system after June 30, 1957, except employees in positions to which coverage under Title II of the Social Security Act is not extended; and
 - (B) All employees who were members of the system on July 1, 1957, who elected to be covered by the Social Security Act.
 - (C) All former class A retirants who return to employment after June 30, 1984 requiring the retirant's active membership.
- (2) Class B members shall consist of all members in the system who are not class A or class C members.
- (3) Except for members covered by section 88-74(3), class C members shall consist of all employees in positions covered by Title II of the Social Security Act who:
 - (A) First enter service after June 30, 1984;
 - (B) Reenter service after June 30, 1984 without vested benefit status as provided in section 88-96(b); [or]
 - (C) Make the election to become a class C member as provided in part VII of this chapter[.]; or
 - (D) Are former class C retirants who return to service requiring the retirant's active membership.
- (4) None of the provisions of this part shall apply to class C members except as specifically provided in part VII of this chapter."

SECTION 2. Section 88-98, Hawaii Revised Statutes, is amended to read as follows:

"§88-98¹ Return to service of a retirant. Any retirant who returns to employment after June 30, 1984 requiring the retirant's active membership shall be reenrolled as an active member of the system in the same class from which the retirant originally retired and the retirant's retirement allowance shall thereupon be suspended. At such time as the retirant again retires, the retirant's retirement allowance shall consist of:

- (1) If the retirant has less than three years of credited service during the retirant's period of reemployment, the allowance to which the retirant was entitled under the mode of retirement the retirant selected when the retirant previously retired and which was suspended; plus, for the retirant's period of service during the retirant's reemployment, the allowance to which the retirant

is entitled for such service computed for the retirant's age, average final compensation, and other factors in accordance with the benefit formula in existence at the time of the retirant's final retirement.

- (2) If the retirant has three or more years of credited service during the retirant's period of reemployment, the allowance computed as if the retirant were retiring for the first time provided that in no event shall such allowance be less than the amount determined in accordance with subsection (1) hereof.

The board of trustees shall adopt such rules as may be required to administer the purposes of this section."

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

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

(Approved May 31, 1987.)

Note

1. So in original.