

**ACT 233**

S.B. NO. 2127

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

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

SECTION 1. The legislature finds that there is an immediate need to:

- (1) Assist retirees living on fixed incomes to cope with the rising costs of living in Hawaii; and

(2) Provide retirement with dignity for pensioners.

The purpose of this Act is to provide a one time, lump sum bonus of \$200 for each state and county retiree who is seventy years of age and older with at least twenty years of credited service as of June 30, 2002.

SECTION 2. Section 88-11, Hawaii Revised Statutes, is amended to read as follows:

**“§88-11 Bonus; pensioners’ special compensation; amounts available.** Except as herein provided, every pension payable under the employees retirement system or payable pursuant to any law of the State, or by any county or independent public board or commission, shall be increased by a bonus for each month as follows:

- (1) Effective July 1, 1976, \$77.82 per month to those retirants and pensioners who had, before July 1, 1966, ten or more years of service; provided that any member who is retired because of physical or mental disability due to any injury or disease incurred while in the performance of the member’s duty as a public employee shall be entitled to receive the bonus payment without meeting the minimum service requirement;
- (2) Effective July 1, 1976, \$31.12 per month additional to the above bonus to those retirants or pensioners who retired before July 1, 1945;
- (3) Effective July 1, 1976, \$31.12 per month additional to the above bonus or bonuses to those retirants or pensioners who have had twenty-one or more years of service;
- (4) Effective July 1, 1976, if the pension as increased by the bonus or bonuses does not equal \$202.32 per month, the bonus shall be further increased by such sum, not in excess of \$31.12, as will bring the total of the pension and bonus to \$202.32 per month; provided that where the dependents of a deceased pensioner are receiving pension by reasons of the pensioner’s death, the total only of all amounts paid to the dependents shall be so increased, and the increase herein shall be shared by them in proportion to the respective amount of pension receivable by them exclusive of this increase;
- (5) In the case of any retirement allowance for service commencing after June 30, 1965, pursuant to paragraph (1) or (3) of section 88-74, the only bonus payable shall be in the amount by which the benefit payable under the paragraphs is less than the bonus as set forth above; provided that in no case shall a person who retires after June 30, 1965, receive less under the service and ordinary disability retirement system benefits, plus the bonus payable under this section than the person would have received if paragraph (5) had not been enacted;
- (6) Any provisions of this section to the contrary notwithstanding, there shall be paid to every person who on June 30, 1965, was receiving a retirement allowance from the system or other pension payable under or pursuant to the law of the State or by any county or independent board or commission, a special cost of living bonus, which shall be paid in the following manner:
  - (A) On January 1, 1966, seven and one-half per cent of the retirement allowance or pension;
  - (B) On July 1, 1969, an additional ten per cent of the retirement allowance or pension;
  - (C) On July 1, 1970, an additional ten per cent of the retirement allowance or pension;

- (D) On July 1, 1973, an additional five and one-half per cent of the retirement allowance or pension; and
  - (E) On July 1, 1976, an additional eight per cent of the retirement allowance or pension;
- (7) Any provision of this section to the contrary notwithstanding, there shall be paid to every person who retired between July 1, 1965, and June 30, 1970, and who, on June 30, 1974, was receiving a retirement allowance from the system or other pension payable under or pursuant to the law of the State or by any county or independent board or commission, a special cost of living bonus which shall be paid in the following manner:
- (A) On July 1, 1974, five and one-half per cent of the retirement allowance or pension; and
  - (B) On July 1, 1976, an additional eight per cent of the retirement allowance or pension;
- (8) Any other provision to the contrary notwithstanding, effective July 1, 1980, there shall be paid to every person who retired prior to July 1, 1975, and who on June 30, 1980, was receiving a retirement allowance from the system or other pension payable under or pursuant to the law of the State or by any county or independent board or commission, a special cost of living bonus, which shall be paid in the following manner:
- (A) \$4.50 a month for each year of the retirant's or pensioner's credited service, if the person retired prior to July 1, 1965;
  - (B) \$2.50 a month for each year of the retirant's or pensioner's credited service if the person retired after June 30, 1965, but prior to July 1, 1970; and
  - (C) \$1.00 a month for each year of the retirant's or pensioner's credited service if the person retired after June 30, 1970, but prior to July 1, 1975;

provided that if the retirant or pensioner had retired, returned to service, and again retired, the person's latest retirement date shall be considered as the person's date of retirement; provided further that no special cost of living bonus as provided for in this paragraph shall be paid to those retirants or pensioners who have eight or less years of credited service;

- (9) Any other provision to the contrary notwithstanding, effective July 1, 1984, there shall be paid to every person who retired after June 30, 1970, but prior to July 1, 1979, and who on June 30, 1984, was receiving a retirement allowance from the system or other pension payable under or pursuant to the law of the State or by any county or independent board or commission, a special cost of living bonus, which shall be paid in the following manner:
- (A) \$.50 a month for each year of the retirant's or pensioner's credited service if the person retired after June 30, 1970, but prior to July 1, 1975; and
  - (B) \$1.00 a month for each year of the retirant's or pensioner's credited service if the person retired after June 30, 1975, but prior to July 1, 1979;

provided that if the retirant or pensioner had retired, returned to service, and again retired, the person's latest retirement date shall be considered as the person's date of retirement; provided further that no special cost of living bonus as provided for in this paragraph shall be paid to those retirants or pensioners who have eight or less years of credited service; [and]

- (10) Any other provision to the contrary notwithstanding, effective July 1, 1988, there shall be paid to every person who retired prior to July 1, 1982, and who on June 30, 1988, was receiving a retirement allowance from the system or other pension payable under or pursuant to the law of the State or by any county or independent board or commission, a special cost of living bonus, which shall be paid in the following manner:
- (A) \$3.50 a month for each year of the retirant's or pensioner's credited service, if the person retired prior to July 1, 1965;
  - (B) \$2.50 a month for each year of the retirant's or pensioner's credited service if the person retired after June 30, 1965, but prior to July 1, 1970;
  - (C) \$1.50 a month for each year of the retirant's or pensioner's credited service if the person retired after June 30, 1970, but prior to July 1, 1975; and
  - (D) \$1.00 a month for each year of the retirant's or pensioner's credited service if the person retired after June 30, 1975, but prior to July 1, 1982;

provided that if the retirant or pensioner had retired, returned to service, and again retired, the person's latest retirement date shall be considered as the person's date of retirement; provided further that no special cost of living bonus as provided for in this paragraph shall be paid to those retirants or pensioners who have ten or less years of credited service[-];

- (11) Any other provision to the contrary notwithstanding, effective July 1, 1990, and each July 1, thereafter until June 30, 1999, bonuses shall be paid to retirants and pensioners with ten or more years of service or to their beneficiaries who are receiving a monthly benefit from the system, in accordance with this paragraph; provided that the requirement of ten or more years of service shall not apply in the case of a person who retires with less than ten years of service because of a service connected disability; and provided further that if the retirant or pensioner is currently receiving a larger bonus than what would be payable under this paragraph the retirant or pensioner shall continue to receive the bonus amount received on June 30, 1990, until the retirant's or pensioner's bonus calculated under this paragraph exceeds the June 30, 1990, bonus amount at which time the difference between the June 30, 1990, bonus and the bonus calculated under this paragraph would be payable.

The bonus amounts payable under this paragraph shall be based on years of retirement and shall be a cumulative amount to include all previous bonuses and shall not exceed:

- (A) \$1.25 for each year of the retirant's or pensioner's credited service if the retirant or pensioner has been retired a minimum of five years by July 1 in the year in which the bonus is effective;
- (B) \$2.50 for each year of the retirant's or pensioner's credited service if the retirant or pensioner has been retired a minimum of ten years by July 1 in the year in which the bonus is effective;
- (C) \$4.50 for each year of the retirant's or pensioner's credited service if the retirant or pensioner has been retired a minimum of fifteen years by July 1 in the year in which the bonus is effective;
- (D) \$6.00 for each year of the retirant's or pensioner's credited service if the retirant or pensioner has been retired a minimum of twenty years by July 1 in the year in which the bonus is effective;

- (B)<sup>1</sup> \$8.75 for each year of the retirant's or pensioner's credited service if the retirant or pensioner has been retired a minimum of twenty-five years by July 1 in the year in which the bonus is effective;
- (F) \$10.50 for each year of the retirant's or pensioner's credited service if the retirant or pensioner has been retired a minimum of thirty years by July 1 in the year in which the bonus is effective;
- (G) Any provision to the contrary notwithstanding, any retirant or pensioner with ten or more years of service who on July 1 of the year in which the bonus is being calculated has been retired a minimum of twenty years and whose current bonus amount exceeds the maximum specified in this paragraph shall nevertheless receive a pension increase of \$1.25 for each year of credited service.

For the purposes of this paragraph, if the retirant or pensioner had retired, returned to service, and again retired, the latest retirement date shall be considered as the date of retirement; and

- (12) Notwithstanding any other provision to the contrary, in fiscal year 2002-2003, each state and county retiree who is seventy years of age and older with at least twenty years of credited service as of June 30, 2002, shall receive a one time, lump sum bonus of \$200. Any lump sum bonus paid pursuant to this paragraph shall not be construed to increase a retirant's basic monthly pension accumulation or any other post retirement benefit provided under this chapter.'

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,465,400, or so much thereof as may be necessary for fiscal year 2002-2003, for deposit into the employees' retirement system's operating budget (BUF 141), to provide retirants who are age seventy or older and who have at least twenty years of credited service as of June 30, 2002, with a one-time, lump sum pension bonus of \$200 per retirant.

The sum appropriated shall be expended by the employees retirement system for the purposes of this Act.

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

SECTION 5. This Act shall take effect on July 1, 2002.

(Approved June 28, 2002.)

**Note**

1. Should be "(E)".