

## ACT 134

S.B. NO. 1312

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

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

SECTION 1. Chapter 88, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§88- Finalizing of pensions.** (a) The system shall finalize a retiree's pension benefit within six calendar months following the month of the retiree's retirement. For pension benefits finalized after the sixth calendar month following the month of the retiree's retirement, an interest payment amounting to four and one-half per cent per annum shall be paid to the retiree. Interest shall be calculated on the difference between the amount the retiree is entitled to receive from the retiree's retirement date up to the day the payment is made and the amount the retiree was paid including any refund of member contributions.

Beginning January 1, 2004, or the first day of the seventh calendar month following the month of retirement, whichever is later, interest payments calculated as simple interest shall be prorated up to the date payment is made; provided that any pension adjustment made after the retiree's pension has once been finalized shall not be subject to any interest payment.

The system shall finalize ordinary and service-connected disability retirements within six calendar months following the month that the member's retirement is approved by the board of trustees or the actual retirement date specified by the member, whichever is later.

(b) Any department or agency of the State or counties that fails to comply with the system's request for information shall be subject to a monthly fee for each request as follows:

- (1) For requests for unused sick leave balances and lump sum vacation payments not reported within ninety days of an employee's retirement; and
- (2) For requests for payroll or personnel information not reported within thirty days of receipt of request.

Beginning January 1, 2004, the system shall assess \$10 for each month or fraction thereof that the department or agency fails to provide the system with the requested information for each retiree. All assessments collected shall be deposited to the pension accumulation fund.”

SECTION 2. There is appropriated out of the employees' retirement system's investment earnings the sum of \$90,000, or so much thereof as may be necessary for fiscal year 2003-2004 to carry out the purposes of this Act.

The sum appropriated shall be expended by the employees' retirement system for the purposes of this Act; provided that the amount expended shall not exceed \$90,000.

SECTION 3. New statutory material is underscored.<sup>1</sup>

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**SECTION 4.** This Act shall take effect on January 1, 2004; provided that section 2 shall take effect on July 1, 2003.

(Approved June 4, 2003.)

### **Note**

1. Edited pursuant to HRS §23G-16.5.