A Bill for an Act Relating to Unemployment Benefits.

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

SECTION 1. Section 383-23.5, Hawaii Revised Statutes, is amended to read as follows:

"§383-23.5 Retirement payments. (a) For any week with respect to which an individual is receiving a pension (which shall include a governmental or other pension, retirement or retired pay, annuity, or any other similar periodic payment) under a plan maintained or contributed to by a base period or chargeable employer (as determined under applicable law), the weekly benefit amount payable to [such] the individual for [such] the week shall be reduced (but not below zero):

(1) By one-half the prorated weekly amount of the pension if at least half but less than one hundred per cent of the contributions to the plan were provided by [such] the individual; [or]

(2) By the entire prorated weekly amount of the pension if paragraph (1) or

paragraph (3) does not apply; or

(3) By no part of the pension if the entire contributions to the plan were provided by [sueh] the individual, or by the individual and an employer (or any other person or organization) who is not a base period or chargeable employer as determined under applicable law.

- (b) No reduction shall be made under this section by reason of the receipt of a pension if the services performed by the individual during the base period (or remuneration received for [sueh] the services) for [sueh] the employer did not affect the individual's eligibility for, or increase the amount of, [sueh] the individual's pension, retirement or retired pay, annuity, or similar payment. [The conditions specified by this subsection shall not apply to pensions paid under the federal Social Security Act or the Railroad Retirement Act of 1974, or the corresponding provisions of prior law. Payments made under those Acts shall be treated solely in the manner specified by subsection (a)(1), (2), and (3).]
- (c) Subsections (a) and (b) shall only apply to new claims filed with an effective date prior to July 1, 2005.

(d) With respect to new claims filed with an effective date beginning on or after July 1, 2005:

(1) For any week with respect to which an individual is receiving a pension under a plan maintained or contributed to by a base period or chargeable employer, the weekly benefit amount payable to the individual for the week shall be reduced (but not below zero) by an amount equal to the amount of the pension which is reasonably attributable to that week. For this paragraph to apply, the services performed for the employer by the individual in the base period (or remuneration for the services) must affect eligibility for, or increase the amount of the pension; and

(2) Paragraph (1) shall not apply to any pension if the individual has made any contribution to the plan maintained by the base period or chargeable employer.

(e) Notwithstanding any provision under this section, the amount of any pension, retirement or retired pay, annuity, or other similar periodic payment under the Social Security Act or the Railroad Act of 1974 shall not result in a reduction of the weekly benefit amount payable to an individual under this section."

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

SECTION 3. This Act shall take effect on July 1, 2005. (Approved June 7, 2005.)