

## ACT 57

S.B. NO. 738

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- Compromise and settlement.** The board may compromise or settle any claim for benefits under this chapter; provided that, if the compromise or settlement would result in a person receiving benefits that the person would not otherwise, as a matter of law, be entitled to receive, the compromise or settlement shall be subject to the approval of the attorney general and may be made only if:

- (1) The settlement or compromise relates to or arises out of a representation made to a member concerning the member's eligibility for benefits under this chapter;
- (2) The representation:
  - (A) Was made in writing by an employee of the system with authority to make representations on behalf of the system as to amounts of and eligibility for benefits under this chapter; and
  - (B) Was erroneous as to the amount or class of credited service to which the member was entitled;
- (3) The member, in good faith and reasonable reliance on the representation, retired or terminated the member's status as an employee or the member's membership in the system; and
- (4) The settlement or compromise will prevent manifest injustice.”

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**SECTION 2.** New statutory material is underscored.<sup>1</sup>

**SECTION 3.** This Act shall take effect upon its approval, and shall apply to claims existing on and arising on or after the effective date of this Act.

(Approved May 17, 2005.)

### **Note**

1. Edited pursuant to HRS §23G-16.5.