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# A BILL FOR AN ACT

RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Section 88-96, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:  
3           "(a) Any member who ceases to be an employee and who  
4 became a member before July 1, 2012, and has fewer than five  
5 years of credited service, excluding unused sick leave, or who  
6 becomes a member after June 30, 2012, and has fewer than ten  
7 years of credited service, excluding sick leave, shall, upon  
8 application to the board, be paid all of the member's  
9 accumulated contributions and the member's membership shall  
10 thereupon terminate and all credited service shall be forfeited;  
11 provided that a member shall not be paid the member's  
12 accumulated contributions:  
13           (1) If the member becomes an employee again within fifteen  
14 calendar days from the date the member ceased to be an  
15 employee; or



1 (2) If, at the time the application for return of  
2 accumulated contributions is received by the board,  
3 the member has become an employee again.

4 Regular interest shall be credited to the former employee's  
5 account until the former employee's accumulated contributions  
6 are returned to the former employee; provided that the former  
7 employee's membership shall not continue after the fourth full  
8 year following the calendar year in which the individual's  
9 employment terminates. Upon termination of the former  
10 employee's membership, the former employee's credited service  
11 shall be forfeited and, if the former employee's accumulated  
12 contributions are \$1,000 or less at the time of distribution,  
13 the system shall return the former employee's contributions to  
14 the former employee. If the former employee does not become an  
15 employee again and if the former employee's accumulated  
16 contributions have not been withdrawn by the former employee or  
17 previously returned by the system to the former employee, the  
18 system shall return the former employee's accumulated  
19 contributions to the former employee as soon as possible after  
20 the later of: (A) the former employee [~~attains~~] attaining age



1 sixty-two[-]; or (B) the termination of the former employee's  
2 membership."

3 SECTION 2. Section 88-341, Hawaii Revised Statutes, is  
4 amended as follows:

5 1. By amending subsection (a) to read:

6 "(a) Any class H member who ceases to be an employee and  
7 who became a member before July 1, 2012, and has fewer than five  
8 years of credited service, excluding unused sick leave, or who  
9 becomes a member after June 30, 2012, and has fewer than ten  
10 years of credited service, excluding unused sick leave, shall,  
11 upon application to the board, be paid all of the former  
12 employee's accumulated contributions, and the former employee's  
13 membership shall thereupon terminate and all credited service  
14 shall be forfeited; provided that an individual shall not be  
15 paid the individual's accumulated contributions if either:

16 (1) The individual becomes an employee again within  
17 fifteen calendar days from the date the individual  
18 ceased to be an employee; or

19 (2) At the time the application for return of accumulated  
20 contributions is received by the board, the individual  
21 has become an employee again.



1 Regular interest shall be credited to the former employee's  
2 account until the former employee's accumulated contributions  
3 are withdrawn; provided that the former employee's membership  
4 shall not continue after the fourth full year following the  
5 calendar year in which the individual's employment terminates.  
6 If the former employee does not become an employee again and has  
7 not withdrawn the former employee's accumulated contributions,  
8 the system shall return the former employee's accumulated  
9 contributions to the former employee as soon as possible after  
10 the later of: (A) the former employee [attains] attaining age  
11 sixty-two[-]; or (B) the termination of the former employee's  
12 membership."

13 2. By amending subsection (c) to read:

14 "(c) In case of the death after the termination of service  
15 and prior to retirement of any former class H member who has not  
16 withdrawn the member's contributions, there shall be paid to the  
17 former member's estate or to the person [as] that the former  
18 member has nominated by written designation duly executed and  
19 filed with the board [~~if either~~]:

20 (1) The former [~~member had less than five years of~~  
21 ~~credited service at the time of death, the former~~]



1 member's accumulated contributions [~~7-0x~~], if the  
2 former member became a member before July 1, 2015, and  
3 had fewer than five years of credited service at the  
4 time of death or if the former member became a member  
5 after June 30, 2015, and had fewer than ten years of  
6 credited service at the time of death; or

7 (2) The former [~~member had five or more years of credited~~  
8 ~~service at the time of death, the former~~] member's  
9 hypothetical account balance[-], if the former member  
10 became a member before July 1, 2015, and had five or  
11 more years of credited service at the time of death or  
12 if the former member became a member after June 30,  
13 2015, and had ten or more years of credited service at  
14 the time of death."

15 SECTION 3. Statutory material to be repealed is bracketed  
16 and stricken. New statutory material is underscored.

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



**Report Title:**

Employees' Retirement System

**Description:**

Provides for vested death benefits for Hybrid members who become members of the Employees' Retirement System after June 30, 2015; extends period for mandatory refund of contributions to the Employees' Retirement System. (SB1087 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

