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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 88-90, Hawaii Revised Statutes, is  
2 amended to read as follows:  
3           "§88-90 Post retirement allowances. (a) There shall be  
4 payable to each person receiving any pension, annuity or  
5 retirement allowance, a post retirement allowance which shall  
6 consist of an amount equivalent to one and one-half per cent of  
7 the monthly pension, annuity, or retirement allowance as  
8 originally computed, approved, and paid. This benefit shall be  
9 added to the monthly pension, annuity, or retirement allowance  
10 on the first day of July in each year following June 30, 1961,  
11 as follows:

12           (1) To each person receiving a pension, annuity, or  
13 retirement allowance on June 30, 1961, payment of the  
14 benefit shall commence on July 1, 1961, except that  
15 after June 30, 1963, the monthly benefits payable  
16 under this subsection shall be computed and paid on  
17 the basis of the number of years that has elapsed  
18 since the person entitled thereto first became the



1 recipient of the pension, annuity, or retirement  
2 allowance from which the benefit is derived; and

3 (2) To each person first receiving a pension, annuity, or  
4 retirement allowance after June 30, 1961, payment of  
5 the benefit shall commence on the first of July  
6 following the calendar year in which the payment of  
7 the pension, annuity, or retirement allowance is  
8 effective.

9 (b) After June 30, 1970, the post retirement allowance  
10 shall consist of an amount equivalent to two and one-half per  
11 cent of the monthly pension, annuity, or retirement allowance as  
12 originally computed and paid. This benefit shall be payable on  
13 the first day of July in each year following June 30, 1970, as  
14 follows:

15 (1) To each person, who on June 30, 1970, was receiving a  
16 post retirement allowance as described under  
17 subsection (a) hereof, payment of the benefit shall  
18 commence on July 1, 1970; and

19 (2) To each person first receiving a pension, annuity, or  
20 retirement allowance after December 31, 1968, payment  
21 of the benefit shall commence on the first day of July  
22 following the calendar year in which the payment of



1           the pension, annuity, or retirement allowance is  
2           effective.

3           (c) Notwithstanding subsections (a) and (b), for employees  
4 who become members after June 30, 2012, and for any person who  
5 receives a monthly pension, annuity or retirement allowance as a  
6 beneficiary or survivor of the employee, the post retirement  
7 allowance shall consist of an amount equivalent to one and one-  
8 half per cent of the monthly pension, annuity, or retirement  
9 allowance as originally computed and paid. Payment of the  
10 benefit shall commence on the first day of July following the  
11 calendar year in which the payment of the pension, annuity or  
12 retirement allowance is effective.

13           (d) Notwithstanding subsections (a), (b), and (c), after  
14 June 30, 2013, the post-retirement allowance shall consist of an  
15 amount equivalent to a specified percentage, based upon a  
16 schedule of graduated percentages distributed over the length of  
17 years in retirement, of the monthly pension, annuity, or  
18 retirement allowance as originally computed and paid. This  
19 benefit shall be added to the monthly pension, annuity, or  
20 retirement allowance on the first day of July in each year  
21 following June 30, 2013, as follows:



- 1        (1) 1.25 per cent in the second calendar year in  
2            retirement;
- 3        (2) 1.50 per cent in the eleventh year in retirement;
- 4        (3) 2.00 per cent in the twenty-first year in retirement;
- 5        (4) 2.50 per cent in the twenty-fifth year in retirement;  
6            and
- 7        (5) 3.00 per cent in the twenty-sixth year in retirement  
8            and every year thereafter."

9        SECTION 2.    New statutory material is underscored.

10       SECTION 3.    This Act shall take effect on July 1, 2013.

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INTRODUCED BY: 

JAN 23 2013



# H.B. NO. 1179

**Report Title:**

ERS; Post-Retirement Allowance

**Description:**

Replaces the flat percentage for post-retirement allowances with a graduated schedule of percentages.

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

