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FIRST CIRCUIT
1CCV-25-0001456
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Dkt. 63 ORD

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAI'I

LEAGUE OF WOMEN VOTERS OF
HAWAII,

Plaintiff,

vs.

STATE OF HAWAI'I,

Defendant.

Civil No. 1CCV-25-0001456 (JJK)
(Declaratory Judgment)

COURT'S ORDER (1) FOR RESERVED
QUESTIONS PURSUANT TO RULE 15
OF THE HAWAI'I RULES OF
APPELLATE PROCEDURE AND (2)
STAYING PROCEEDINGS;
APPENDICES 1-4

Hearings:

Date: February 4, 2026

Time: 10:30 a.m.

Date: March 27, 2026

Time: 9:00 a.m.

Judge: Jordon J. Kimura

Trial Date: None Set

**COURT'S ORDER (1) FOR RESERVED QUESTIONS PURSUANT TO RULE 15 OF THE
HAWAI'I RULES OF APPELLATE PROCEDURE AND (2) STAYING PROCEEDINGS**

Pursuant to Rule 15 of the Hawai'i Rules of Appellate Procedure ("HRAP") and on its own motion, the trial court in the above-captioned case respectfully reserves questions of law arising from the proceedings before it for consideration by the Supreme Court of the State of Hawai'i ("Supreme Court").

I. PROCEDURAL BACKGROUND

On September 2, 2025, Plaintiff League of Women Voters of Hawaii (“Plaintiff”) initiated this action for declaratory judgment, challenging, under Article III, Sections 12 and 14 of the Hawai‘i Constitution, the constitutionality of Act 290 of the 2025-2026 legislative session (“Act 290”), introduced as Senate Bill 935 (“S.B. 935”). *See* Dkt. # 1.¹ As set forth in the Complaint, Plaintiff seeks an “order declaring that (1) the process for adopting Act 290 was unconstitutional; and (2) Act 290 is void.” *Id.* at 5.

For the 2025–2026 legislative session, the Speaker of the House and President of the Senate set January 23, 2025, as the bill introduction deadline for the regular session, as reflected in the 2025 Legislative Timetable. *See* Appendix 1.² On January 17, 2025, six days before that cutoff, S.B. 935 was introduced as a short-form bill titled “Relating to Government.” *See* Appendix 2. As introduced, its operative text stated only that the purpose of the Act was “to effectuate the title of this Act,” that the Hawai‘i Revised Statutes (“HRS”) would be “amended to conform to the purpose of this Act,” and that the Act would take effect upon its approval. *Id.*

On February 19, 2025, prior to the mandatory 5-day recess, the Senate Committee on Ways and Means reported out S.B. 935, S.D. 1, which deleted the short-form contents and replaced them with provisions amending the Employees’ Retirement System statutes for certain state government employees. *See* Appendices 1 & 3. As further amended, S.B. 935, S.D. 2, H.D. 3, C.D. 1 was passed by both houses and signed into law by the Governor on July 3, 2025,

¹ Citations to the record are in the format of “Dkt. # ___ at ___.” “Dkt.” refers to the docket for the present case before this court, Case No. 1CCV-25-0001456. The number before the “at” refers to the docket number and, if applicable, the number(s) after the “at” refers to the page(s) in the PDF viewer of the docket.

² Appendices 1-4 hereto are exhibits 3, 4, 6, and 7 to the *State of Hawaii’s Motion for Summary Judgment*, filed October 7, 2025 [Dkt. # 17].

as Act 290. *See* Appendix 4. Act 290 (i) amends HRS Sections 88-47 and 88-74 by reducing, for judges confirmed after June 30, 2031, the retirement allowance formula from three percent to 1.75 percent of average final compensation per year of service as a judge, and (ii) directs the Department of Human Resources to study the impacts and benefits of reducing from ten years to five years the minimum years of credited service required for certain tier 2 hybrid class members to obtain vested service retirement eligibility. *See id.*

On October 7, 2025, the parties filed cross-motions for summary judgment. Plaintiff filed its Motion for Summary Judgment, *see* Dkt. # 13, and Defendant State of Hawai‘i (“State”) filed its Motion for Summary Judgment. *See* Dkt. # 17. The parties subsequently filed oppositions and replies in January 2026. *See* Dkt. ## 39, 41, 43, 45.

This court heard the cross motions on February 4, 2026. R. Brian Black, Esq. appeared on behalf of Plaintiff. Lauren K. Chun, Esq., Deputy Solicitor General, appeared on behalf of the State. After hearing arguments, the court continued the hearing and, on February 6, 2026, issued a Minute Order directing the parties to submit supplemental memoranda addressing specific constitutional questions related to the bill introduction deadline, the germaneness standard, and the political question doctrine under the Hawai‘i Constitution. *See* Dkt. # 47.

Pursuant to the court’s Minute Order, the parties filed their supplemental memoranda on March 13, 2026, and their responsive supplemental memoranda on March 20, 2026. *See* Dkt. ## 53, 55, 57, 59. The court held a further hearing on March 27, 2026, with Mr. Black appearing for Plaintiff and Deputy Solicitor General Chun appearing for the State. Having considered the extensive briefing and the arguments of counsel, the court now respectfully determines it is appropriate to reserve questions of law for consideration by the Supreme Court.

II. DISCUSSION

This case presents novel and significant questions of Hawai‘i constitutional law concerning the procedural requirements for enacting legislation. The resolution of these questions will inevitably have a substantial impact on the legislative process and is of great public importance. The parties’ cross-motions for summary judgment turn on the interpretation of Article III, Sections 12 and 14 of the Hawai‘i Constitution, and their interplay with the political question doctrine.

Specifically, this court is asked to determine: (1) whether the title of a bill, “Relating to Government,” is so broad that it violates the subject-in-title requirement of Article III, Section 14; and (2) whether a challenge to a bill on the grounds that it lacked any substantive provisions at the time of its introduction, and thus was not a “bill” for purposes of the introduction deadline in Article III, Section 12, presents a non-justiciable political question.

These issues require the court to navigate the separation of powers. The parties have presented conflicting interpretations of Supreme Court precedent. Plaintiff argues that the principles of transparency and public notice articulated in *League of Women Voters of Honolulu v. State*, 150 Hawai‘i 182, 499 P.3d 382 (2021), which addressed the germaneness of amendments under Article III, Section 15, should inform the court’s analysis of the requirements of Sections 12 and 14. The State contends that the matter is a non-justiciable political question under the test established in *Baker v. Carr*, 369 U.S. 186 (1962), and applied in *Nelson v. Hawaiian Homes Comm’n*, 127 Hawai‘i 185, 277 P.3d 279 (2012), arguing there is a textual commitment to the legislature and a lack of judicially discoverable and manageable standards for what constitutes a “bill.”

There is neither binding precedent that directly resolves whether the definition of a “bill” under Article III, Section 12 is a justiciable issue, nor is there clear guidance on the constitutional limits to the generality of a bill’s title under Section 14. A determination by the Supreme Court is necessary to provide clarity and statewide uniformity on these fundamental aspects of the legislative process. A decision on the reserved questions will be determinative of the case, as it will resolve the legal basis for the parties’ cross-motions for summary judgment. Accordingly, this court respectfully believes certification is appropriate.

III. RESERVED QUESTIONS

Based on the foregoing, this court respectfully reserves the following questions of law for consideration by the Supreme Court:

1. **A.** Does a legal challenge asserting that a legislative proposal failed to meet the bill introduction deadline of Article III, Section 12 of the Hawai‘i Constitution because it lacked sufficient substance to constitute a “bill” present a non-justiciable political question?
 - B.** If it is justiciable, what legal standard governs whether a proposal qualifies as a “bill,” and did S.B. 935 meet that standard?
2. Is the title “Relating to Government” sufficient under Article III, Section 14 of the Hawai‘i Constitution as applied to Act 290 of 2025?

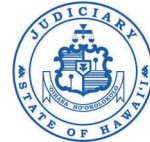
The Clerk of the Court is hereby directed to promptly prepare, certify, and transmit to the Clerk of the Supreme Court the record in this matter, in accordance with HRAP Rule 15.

* * *

Based on the foregoing, IT IS HEREBY FURTHER ORDERED that all proceedings in this matter, including, but not limited to, any final determination of the pending cross-motions for summary judgment, are **STAYED** pending disposition of the reserved questions by the Supreme Court.

DATED: Honolulu, Hawai‘i, April 1, 2026.

/s/ JORDON J. KIMURA
Judge of the Above-Entitled Court



APPENDIX 1

EXHIBIT “3”

2025 LEGISLATIVE TIMETABLE

J A N U A R Y	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
				NEW YEAR'S DAY			
5	6	7	8	9	10	11	
12	13	14	15	OPENING DAY	16	17 Non-Admin Bill Package Cutoff & Grants/Subsidies Cutoff	18
19	20 DR. MARTIN LUTHER KING, JR. DAY	21 State of the State Address & Admin Bill Package Cutoff	22 RECESS #1	23 State of the Judiciary Address & Bill Intro Cutoff	24 RECESS #2	25	
26	27	28	29	30	31		

F E B R U A R Y	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
2	3	4	5	6	7	8	
9	10	11	12	13	14	15	
16	17 PRESIDENTS' DAY	18	19	20 Mandatory 5-Day Recess Begins	21	22	
23	24	25	26 Last Day of Mandatory 5-Day Recess	27	28	29 First Decking (Bills)	30

M A R C H	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
2	3	4	5	6	7	8	
9	10 RECESS #3	11	12 RECESS #4	13 First Crossover (Bills)	14 Substantive Reso Cutoff	15	
16	17 Budget Decking	18	19 Budget Crossover	20	21	22	
23	24	25	26 KUHIO DAY	27	28	29	
30	31						

A P R I L	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
6	7	8	9	10 First Crossover (Concurrent Resos)	11 Second Decking (Bills)	12	
13	14 RECESS #5	15	16 RECESS #6	17 Second Crossover (Bills) & Disagree	18 Constitutional Amendments	19 GOOD FRIDAY	
20	21 Second Crossover (Concurrent Resos)	22	23	24 Final Decking (Non-Fiscal Bills)	25 Final Decking (Fiscal Bills)	26	
27	28 RECESS #7	29 RECESS #8	30				

M A Y	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
					RECESS #9	ADJOURNMENT SINE DIE	

Ronald D. Kouchi

Ronald D. Kouchi
President of the Senate

11/25/24

Date

Nadine K. Nakamura

Nadine K. Nakamura
Speaker of the House

11/25/24

Date

2025 LEGISLATIVE TIMETABLE

<u>DATE</u>	<u>LEG. DAY</u>	<u>DEADLINE OR EVENT</u>
Jan. 15 th (Wed)	1 st	Opening Day.
Jan. 17 th (Fri)	3 rd	Last day to introduce all packages of bills except for the administration's (State Executive Branch). Last day for organizations to submit grant and subsidy requests to the Legislature.
Jan. 21 st (Tue)	4 th	State of the State Address. Last day to introduce the administration's package of bills (State Executive Branch).
Jan. 22 nd (Wed)		One-day recess.
Jan. 23 rd (Thur)	5 th	State of the Judiciary Address. Last day for bill introductions.
Jan. 24 th (Fri)		One-day recess.
Feb. 20 th (Thur) through Feb. 26 th (Wed)		Mandatory 5-day recess.
Feb. 28 th (Fri)	24 th	Filing deadline for First Decking. Last day to deck non-budget bills for Third Reading in the originating body.
March 3 rd (Mon)		One-day recess.
March 5 th (Wed)		One-day recess.
March 6 th (Thur)	26 th	First Crossover for bills. Last day for Third Reading of bills in the originating body.
March 7 th (Fri)	27 th	Last day to introduce substantive resolutions.
March 10 th (Mon)	28 th	Filing deadline for budget bills.
March 12 th (Wed)	30 th	Budget Crossover. Last day for Third Reading of budget bills in the originating body.
April 3 rd (Thur)	45 th	First Crossover for concurrent resolutions. Last day to pass concurrent resolutions to the non-originating body.
April 4 th (Fri)	46 th	Filing deadline for Second Decking. Last day to deck bills that were amended by the receiving (non-originating) body.
April 7 th (Mon)		One-day recess.
April 9 th (Wed)		One-day recess.
April 10 th (Thur)	48 th	Second Crossover for bills. Last day for Third Reading of bills that were amended by the receiving (non-originating) body.
April 17 th (Thur)	53 rd	Disagree. Last day to disagree with the other body's drafts of bills.
April 21 st (Mon)	54 th	Deadline for transmittal of final form of Constitutional Amendments to the Governor. Second Crossover for concurrent resolutions. Last day to pass concurrent resolutions that were amended by the receiving (non-originating) body.
April 24 th (Thur)	57 th	Last day to file non-fiscal bills to deck for Final Reading.
April 25 th (Fri)	58 th	Last day to file fiscal bills to deck for Final Reading.
April 28 th (Mon)		One-day recess.
April 29 th (Tues)		One-day recess.
May 1 st (Thurs)		One-day recess.
May 2 nd (Fri)	60 th	Adjournment Sine Die.



Ronald D. Kouchi
President of the Senate

11/25/24

Date



Nadine K. Nakamura
Speaker of the House

11/25/24

Date

APPENDIX 2

EXHIBIT “4”

JAN 17 2025

A BILL FOR AN ACT

RELATING TO GOVERNMENT.

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

1 SECTION 1. The purpose of this Act is to effectuate the
2 title of this Act.

3 SECTION 2. The Hawaii Revised Statutes is amended to
4 conform to the purpose of this Act.

5 SECTION 3. This Act shall take effect upon its approval.

6

INTRODUCED BY:





S.B. NO. 935

Report Title:

Short Form; Government

Description:

Short form bill.

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

2025-0907 SB SMA(B) .docx



APPENDIX 3

EXHIBIT “6”

A BILL FOR AN ACT

RELATING TO GOVERNMENT.

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

1

PART I

2

SECTION 1. Section 88-74, Hawaii Revised Statutes, is

3

amended as follows:

4

1. By amending subsection (d) to read:

5

"(d) If a member, who became a member before July 1, 2012,

6

has credited service as an elective officer or as a legislative

7

officer, the member's retirement allowance shall be derived by

8

adding the allowances computed separately under paragraphs (1),

9

(2), (3), (4), (5), and (6) as follows:

10

(1) For a member who has credited service as an elective

11

officer before July 1, 2012, irrespective of age, for

12

each year of credited service as an elective officer,

13

three and one-half per cent of the member's average

14

final compensation as computed under section

15

88-81(e)(1), in addition to an annuity that is the

16

actuarial equivalent of the member's accumulated

17

contributions allocable to the period of service;



- 1 (2) For a member, who first earned credited service as an
2 elective officer after June 30, 2012, irrespective of
3 age, for each year of credited service as an elective
4 officer, three per cent of the member's average final
5 compensation as computed under section 88-81(e)(1), in
6 addition to an annuity that is the actuarial
7 equivalent of the member's accumulated contributions
8 allocable to the period of service;
- 9 (3) For a member who has credited service as a legislative
10 officer before July 1, 2012, irrespective of age, for
11 each year of credited service as a legislative
12 officer, three and one-half per cent of the member's
13 average final compensation as computed under section
14 88-81(e)(2), in addition to an annuity that is the
15 actuarial equivalent of the member's accumulated
16 contributions allocable to the period of service;
- 17 (4) For a member who first earned credited service as a
18 legislative officer after June 30, 2012, irrespective
19 of age, for each year of credited service as a
20 legislative officer, three per cent of the member's
21 average final compensation as computed under section



1 88-81(e)(2), in addition to an annuity that is the
2 actuarial equivalent of the member's accumulated
3 contributions allocable to the period of service;
4 (5) If the member has credited service as a judge, the
5 member's retirement allowance shall be computed on the
6 following basis:
7 (A) For a member who has credited service as a judge
8 before July 1, 1999, irrespective of age, for
9 each year of credited service as a judge, three
10 and one-half per cent of the member's average
11 final compensation as computed under section
12 88-81(e)(3), in addition to an annuity that is
13 the actuarial equivalent of the member's
14 accumulated contributions allocable to the period
15 of service;
16 (B) For a member who first earned credited service as
17 a judge after June 30, 1999, but before July 1,
18 2012, and has attained the age of fifty-five, for
19 each year of credited service as a judge, three
20 and one-half per cent of the member's average
21 final compensation as computed under section



1 88-81(e)(3), in addition to an annuity that is
2 the actuarial equivalent of the member's
3 accumulated contributions allocable to the period
4 of service. If the member has not attained age
5 fifty-five, the member's retirement allowance
6 shall be computed as though the member had
7 attained age fifty-five, reduced for age as
8 provided in subsection (e); and
9 (C) For a member who first earned credited service as
10 a judge after June 30, 2012, and has attained the
11 age of sixty, for each year of credited service
12 as a judge, three per cent of the member's
13 average final compensation as computed under
14 section 88-81(e)(3), in addition to an annuity
15 that is the actuarial equivalent of the member's
16 accumulated contributions allocable to the period
17 of service. If the member has not attained age
18 sixty, the member's retirement allowance shall be
19 computed as though the member had attained age
20 sixty, reduced for age as provided in subsection
21 (i); ~~and~~



1 (D) For a member who has credited service as a judge
2 after January 31, 2025, irrespective of age, for
3 each year of credited service as a judge, one and
4 three-fourths per cent of the member's average
5 final compensation as computed under section
6 88-81(e)(3); and
7 (6) For each year of credited service not included in
8 paragraph (1), (2), (3), (4), or (5), the average
9 final compensation as computed under section
10 88-81(e)(4) shall be multiplied by two per cent for
11 credited service earned as a class A or class H
12 member, two and one-half per cent for credited service
13 earned as a class B member, and one and one-quarter
14 per cent for credited service earned as a class C
15 member. If the member has not attained age fifty-
16 five, the member's retirement allowance shall be
17 computed as though the member had attained age fifty-
18 five, reduced for age as provided in subsection (e).
19 The total retirement allowance shall not exceed seventy-five per
20 cent of the member's highest average final compensation
21 calculated under section 88-81(e)(1), (2), (3), or (4). If the



1 allowance exceeds this limit, it shall be adjusted by reducing
2 any annuity accrued under paragraphs (1), (2), (3), (4), and (5)
3 and the portion of the accumulated contributions specified in
4 these paragraphs in excess of the requirements of the reduced
5 annuity shall be returned to the member upon the member's
6 retirement or paid to the member's designated beneficiary upon
7 the member's death while in service or while on authorized leave
8 without pay. If a member has service credit as an elective
9 officer or as a legislative officer in addition to service
10 credit as a judge, then the retirement benefit calculation
11 contained in this subsection shall supersede the formula
12 contained in subsection (c)."

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

14 "(f) If a member, who becomes a member after June 30,
15 2012, has attained age sixty, the member's maximum retirement
16 allowance shall be one and three-fourths per cent of the
17 member's average final compensation multiplied by the total
18 number of years of the member's credited service as a class A
19 and class B member, excluding any credited service as a judge,
20 elective officer, or legislative officer, plus a retirement
21 allowance of one and one-fourth per cent of the member's average



1 final compensation multiplied by the total number of years of
2 prior credited service as a class C member, plus a retirement
3 allowance of one and three-fourths per cent of the member's
4 average final compensation multiplied by the total number of
5 years of prior credited service as a class H member; provided
6 that:

- 7 (1) If the member has at least ten years of credited
8 service of which the last five or more years prior to
9 retirement is credited service as a firefighter,
10 police officer, or an investigator of the department
11 of the prosecuting attorney;
- 12 (2) If the member has at least ten years of credited
13 service of which the last five or more years prior to
14 retirement is credited service as a corrections
15 officer;
- 16 (3) If the member has at least ten years of credited
17 service of which the last five or more years prior to
18 retirement is credited service as an investigator of
19 the department of the attorney general;
- 20 (4) If the member has at least ten years of credited
21 service of which the last five or more years prior to



- 1 retirement is credited service as a narcotics
2 enforcement investigator;
- 3 (5) If the member has at least ten years of credited
4 service, of which the last five or more years prior to
5 retirement is credited service as a law enforcement
6 investigations staff investigator;
- 7 (6) If the member:
- 8 (A) Has at least ten years of credited service as a
9 firefighter;
- 10 (B) Is deemed permanently medically disqualified due
11 to a service related disability to be a
12 firefighter by the employer's physician; and
- 13 (C) Continues employment in a class A or class B
14 position other than a firefighter; and
- 15 (7) If the member:
- 16 (A) Has at least ten years of credited service as a
17 police officer;
- 18 (B) Is deemed permanently medically disqualified due
19 to a service related disability to be a police
20 officer by the employer's physician; and



1 (C) Continues employment in a class A or class B
2 position other than a police officer,
3 then for each year of service as a firefighter, police officer,
4 corrections officer, sheriffs and deputies, investigator of the
5 department of the prosecuting attorney, investigator of the
6 department of the attorney general, narcotics enforcement
7 investigator, or law enforcement investigations staff
8 investigator, the retirement allowance shall be two and one-
9 fourth per cent of the member's average final compensation. The
10 maximum retirement allowance for those members shall not exceed
11 eighty per cent of the member's average final compensation. If
12 the member has not attained age sixty, the member's retirement
13 allowance shall be computed as though the member had attained
14 age sixty, reduced for age as provided in subsection (i)."

15 PART II

16 SECTION 2. The legislature finds that employees who became
17 members of the employees' retirement system before July 1, 2012,
18 commonly referred to as "Tier 1 members", are required to have a
19 minimum of five years of credited service to be eligible for
20 vested benefit status, which, among other things, permits a
21 member to receive a retirement allowance upon service



1 retirement. By contrast, employees who become members after
2 June 30, 2012, commonly referred to as "Tier 2 members", are
3 required to have a minimum of ten years of credited service to
4 be eligible for vested benefit status.

5 Although the two-tier member structure has assisted the
6 employees' retirement system in its efforts to achieve full
7 funding of its actuarial accrued liability, actuaries have
8 determined that reducing the minimum number of years of credited
9 service Tier 2 members must have to be eligible for vested
10 benefit status from ten years to five years to match Tier 1
11 members would increase the projected full funding period only by
12 an estimated four additional months and would require an
13 increase in employer contribution rates of less than a quarter
14 per cent.

15 The legislature also finds that reducing the minimum number
16 of years of credited service Tier 2 members must have to be
17 eligible for vested benefit status from ten years to five years
18 would help state and county employers with the recruitment and
19 retention of qualified employees. Reducing employee turnover
20 and retaining employees on the job longer may also help to
21 reduce employer costs. The legislature further finds that these



1 benefits outweigh impacts to the employees' retirement system's
2 unfunded liability and projected full funding period, as well as
3 to employer contributions.

4 Notwithstanding section 88-99, Hawaii Revised Statutes, the
5 purpose of this part is to:

- 6 (1) Reduce the minimum number of years of credited service
7 qualified Tier 2 members must have to be eligible for
8 vested benefit status for service retirement allowance
9 purposes from ten years to five years; and
- 10 (2) Increase employer contributions to offset the
11 liability produced by the vesting changes.

12 SECTION 3. Section 88-62, Hawaii Revised Statutes, is
13 amended by amending subsection (b) to read as follows:

14 "(b) ~~For~~ Notwithstanding section 88-99, for members who
15 become members after June 30, 2012:

- 16 (1) If a former member who has fewer than ten years of
17 credited service and who has been out of service for a
18 period of four full calendar years or more after the
19 year in which the former member left service, or if a
20 former member who withdrew the former member's
21 accumulated contributions returns to service, the



1 former member shall become a member in the same manner
2 and under the same conditions as anyone first entering
3 service; however, the former member may obtain
4 membership service credit in the manner provided by
5 applicable law for credited service that was forfeited
6 by the member upon termination of the member's
7 previous membership. If the member did not withdraw
8 the former member's accumulated contributions prior to
9 the former member's return to service, the accumulated
10 contributions shall be returned to the member as part
11 of the process of enrolling the member in the system
12 if the member's accumulated contributions are \$1,000
13 or less at the time of distribution. If the
14 accumulated contributions for the service the member
15 had when the member previously terminated employment
16 are greater than \$1,000 and the member does not make
17 written application, prior to or contemporaneously
18 with the member's return to service, for return of the
19 accumulated contributions, the member may not withdraw
20 the member's accumulated contributions, except as
21 provided by section 88-96 or 88-341, until the member



1 retires or attains age sixty-two. The member shall
2 not be entitled to service credit by reason of the
3 system's retention of the member's accumulated
4 contributions for the service the member had when the
5 member previously terminated employment. To be
6 eligible for any benefit, the member shall fulfill the
7 membership service requirements for the benefit
8 through membership service after again becoming a
9 member, in addition to meeting any other eligibility
10 requirement established for the benefit; provided that
11 the membership service requirement shall be exclusive
12 of any former service acquired in accordance with
13 section 88-59 or any other section in part II, VII, or
14 VIII;

15 (2) If a former member with fewer than ten years of
16 credited service and who did not withdraw the former
17 member's accumulated contributions returns to service
18 within four full calendar years after the year in
19 which the former member left service, the former
20 member shall again become a member in the same manner
21 and under the same conditions as anyone first entering



1 service, except that the member shall be credited with
2 service credit for the service the member had when the
3 member terminated employment:

4 (A) If the member returns to service as a class A or
5 class B member, the member's new and previous
6 accumulated contributions shall be combined; or

7 (B) If the member returns to service as a class H
8 member, section 88-321(b) shall apply; ~~and~~

9 (3) If a former member ~~[with ten or more years of credited~~
10 ~~service who did not withdraw the former member's~~
11 ~~contributions]~~ who has vested benefit status as
12 provided in section 88-96(b) returns to service, the
13 former member's status shall be in accordance with the
14 provisions described in section 88-97~~[-]~~;

15 (4) If a former member who has fewer than five years of
16 credited service and who has been out of service for a
17 period of four full calendar years or more after the
18 year in which the former member left service, or if a
19 former member withdrew the former member's accumulated
20 contributions returns to service and remains in
21 service as of July 1, 2027, or returns to service



1 after June 30, 2027, the former member shall become a
2 member in the same manner and under the same
3 conditions as anyone first entering service; provided
4 that the former member may obtain membership service
5 credit in the manner provided by applicable law for
6 credited service that was forfeited by the member upon
7 termination of the member's previous membership. If
8 the member did not withdraw the former member's
9 accumulated contributions before the former member's
10 return to service, the accumulated contributions shall
11 be returned to the member as part of the process of
12 enrolling the member in the system if the member's
13 accumulated contributions are \$1,000 or less at the
14 time of distribution. If the accumulated
15 contributions for the service the member had when the
16 member previously terminated employment are greater
17 than \$1,000 and the member does not make written
18 application, before or contemporaneously with the
19 member's return to service, for return of the
20 accumulated contributions, the member may not withdraw
21 the member's accumulated contributions, except as



1 provided by section 88-96 or 88-341, until the member
2 retires or attains age sixty-two. The member shall
3 not be entitled to service credit by reason of the
4 system's retention of the member's accumulated
5 contributions for the service the member had when the
6 member previously terminated employment. To be
7 eligible for any benefit, the member shall fulfill the
8 membership service requirements for the benefit
9 through membership service after again becoming a
10 member, in addition to meeting any other eligibility
11 requirement established for the benefit; provided that
12 the membership service requirement shall be exclusive
13 of any former service acquired in accordance with
14 section 88-59 or any other section in part II, VII, or
15 VIII; and
16 (5) If a former member who has fewer than five years of
17 credited service and who did not withdraw the former
18 member's accumulated contributions returns to service
19 and remains in service as of July 1, 2027, or returns
20 to service after June 30, 2027, and who returns to
21 service within four full calendar years after the year



1 in which the former member left service, the former
2 member shall again become a member in the same manner
3 and under the same conditions as anyone first entering
4 service, except that the member shall be credited with
5 service credit for the service the member had when the
6 member terminated employment:

7 (A) If the member returns to service as a class A or
8 class B member, the member's new and previous
9 accumulated contributions shall be combined; or

10 (B) If the member returns to service as a class H
11 member, section 88-321(b) shall apply."

12 SECTION 4. Section 88-73, Hawaii Revised Statutes, is
13 amended as follows:

14 1. By amending subsections (a) and (b) to read:

15 "(a) ~~Any~~ Notwithstanding section 88-99, any member who:

16 (1) Became a member before July 1, 2012, and has at least
17 five years of credited service and has attained age
18 fifty-five;

19 (2) Became a member before July 1, 2012, and has at least
20 twenty-five years of credited service;



- 1 (3) Has at least ten years of credited service, which
2 includes service as a judge before July 1, 1999, an
3 elective officer, or a legislative officer;
- 4 (4) Becomes a member after June 30, 2012, and has at least
5 ten years of credited service and has attained age
6 sixty; [~~or~~]
- 7 (5) Becomes a member after June 30, 2012, and has at least
8 twenty-five years of credited service and has attained
9 age fifty-five[~~7~~]; or
- 10 (6) Becomes a member after June 30, 2012, and who is in
11 service as of July 1, 2027, or who returns to service
12 or becomes a member after June 30, 2027, and has at
13 least five years of credited service and has attained
14 the age of sixty,
- 15 shall become eligible to receive a retirement allowance after
16 the member has terminated service.
- 17 (b) Any member who first earned credited service as a
18 judge after June 30, 1999, but before July 1, 2012, and who has
19 at least five years of credited service and has attained age
20 fifty-five or has at least twenty-five years of credited service
21 shall become eligible to receive a retirement allowance after



1 the member has terminated service. Any member who first earned
2 credited service as a judge after June 30, 2012, and has at
3 least ten years of credited service and has attained age sixty
4 or has at least twenty-five years of credited service and has
5 attained age fifty-five shall be eligible to receive a
6 retirement allowance after the member has terminated service.
7 Any member who first earned credited service as a judge after
8 June 30, 2012, and who is in service as of July 1, 2027, or
9 thereafter, and has at least five years of credited service and
10 has attained age sixty, shall be eligible to receive a
11 retirement allowance after the member has terminated service."

12 2. By amending subsection (f) to read:

13 "(f) A member's right to the member's accrued retirement
14 benefit is nonforfeitable upon the attainment of normal
15 retirement age and the completion of the requisite years of
16 credited service.

17 For the purpose of this subsection:

18 "Normal retirement age" means age sixty-five.

19 "Requisite years of credited service" means five years for
20 class A and B members who became members before July 1, 2012,
21 and ten years for class A and B members who became members after



1 June 30, 2012[-]; and five years for class A and B members who
 2 became members after June 30, 2012, and who are in service as of
 3 July 1, 2027, or who returned to service or became a member
 4 after June 30, 2027."

5 SECTION 5. Section 88-96, Hawaii Revised Statutes, is
 6 amended by amending subsections (a) and (b) to read as follows:

7 "(a) Any member who ceases to be an employee and who
 8 became a member before July 1, 2012, and has fewer than five
 9 years of credited service, excluding unused sick leave[-] or who
 10 becomes a member after June 30, 2012, and has fewer than ten
 11 years of credited service, excluding unused sick leave[-]; or
 12 who becomes a member after June 30, 2012, and who is in service
 13 as of July 1, 2027, or who returns to service after June 30,
 14 2027, and has fewer than five years of credited service,
 15 excluding unused sick leave; or who becomes a member after
 16 June 30, 2027, and has fewer than five years of credited
 17 service, excluding unused sick leave, shall, upon application to
 18 the board, be paid all of the member's accumulated contributions
 19 and the member's membership shall thereupon terminate and all
 20 credited service shall be forfeited; provided that a member
 21 shall not be paid the member's accumulated contributions:



1 (1) If the member becomes an employee again within fifteen
2 calendar days from the date the member ceased to be an
3 employee; or

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

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



1 contributions to the former employee as soon as possible after
2 the later of: (A) the former employee attaining age sixty-two;
3 or (B) the termination of the former employee's membership.

4 (b) Any member who ceases to be an employee and who became
5 a member before July 1, 2012, and has more than five years of
6 credited service, excluding unused sick leave[~~τ~~]; or who becomes
7 a member after June 30, 2012, and has more than ten years of
8 credited service, excluding unused sick leave[~~τ~~]; or who becomes
9 a member after June 30, 2012, and who is in service as of
10 July 1, 2027, or who returns to service after June 30, 2027, and
11 has more than five years of credited service, excluding unused
12 sick leave; or who becomes a member after June 30, 2027, and has
13 more than five years of credited service, excluding unused sick
14 leave, shall, upon application to the board, be paid all of the
15 member's accumulated contributions and thereupon the former
16 employee's membership shall terminate and all credited service
17 shall be forfeited; provided that a member shall not be paid the
18 member's accumulated contributions:

19 (1) If the member becomes an employee again within fifteen
20 calendar days from the date the member ceased to be an
21 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 If the contributions are not withdrawn by the former
5 employee within four calendar years following the calendar year
6 in which the former employee's employment terminates, the former
7 employee shall have established vested benefit status and shall
8 be eligible for the service retirement benefit in effect at the
9 time of the former employee's retirement, payable in accordance
10 with this chapter; provided that, if the former employee
11 withdraws the former employee's accumulated contributions, the
12 former employee's vested benefit status shall terminate and all
13 credited service shall be forfeited."

14 SECTION 6. Section 88-122, Hawaii Revised Statutes, is
15 amended by amending subsection (e) to read as follows:

16 "(e) Commencing with fiscal year 2005-2006 and each
17 subsequent fiscal year until fiscal year 2007-2008, the employer
18 contributions for normal cost and accrued liability for each of
19 the two groups of employees in subsection (a) shall be based on
20 fifteen and three-fourths per cent of the member's compensation
21 for police officers, firefighters, and corrections officers and



1 thirteen and three-fourths per cent of the member's compensation
2 for all other employees. Commencing with fiscal year 2008-2009
3 and each subsequent fiscal year until fiscal year 2011-2012, the
4 employer contributions for normal cost and accrued liability for
5 each of the two groups of employees in subsection (a) shall be
6 based on nineteen and seven-tenths per cent of the member's
7 compensation for police officers, firefighters, and corrections
8 officers and fifteen per cent of the member's compensation for
9 all other employees. In fiscal year 2012-2013, the employer
10 contributions for normal cost and accrued liability for each of
11 the two groups of employees in subsection (a) shall be based on
12 twenty-two per cent of the member's compensation for police
13 officers, firefighters, and corrections officers and fifteen and
14 one-half per cent of the member's compensation for all other
15 employees. In fiscal year 2013-2014, the employer contributions
16 for normal cost and accrued liability for each of the two groups
17 of employees in subsection (a) shall be based on twenty-three
18 per cent of the member's compensation for police officers,
19 firefighters, and corrections officers and sixteen per cent of
20 the member's compensation for all other employees. In fiscal
21 year 2014-2015, the employer contributions for normal cost and



1 accrued liability for each of the two groups of employees in
2 subsection (a) shall be based on twenty-four per cent of the
3 member's compensation for police officers, firefighters, and
4 corrections officers and sixteen and one-half per cent of the
5 member's compensation for all other employees. Commencing with
6 fiscal year 2015-2016 until fiscal year 2016-2017, the employer
7 contributions for normal cost and accrued liability for each of
8 the two groups of employees in subsection (a) shall be based on
9 twenty-five per cent of the member's compensation for police
10 officers, firefighters, and corrections officers and seventeen
11 per cent of the member's compensation for all other employees.
12 In fiscal year 2017-2018, the employer contributions for normal
13 cost and accrued liability for each of the two groups of
14 employees in subsection (a) shall be based on twenty-eight per
15 cent of the member's compensation for police officers,
16 firefighters, and corrections officers and eighteen per cent of
17 the member's compensation for all other employees. In fiscal
18 year 2018-2019, the employer contributions for normal cost and
19 accrued liability for each of the two groups in subsection (a)
20 shall be based on thirty-one per cent of the member's
21 compensation for police officers, firefighters, and corrections



1 officers and nineteen per cent of the member's compensation for
2 all other employees. In fiscal year 2019-2020, the employer
3 contributions for normal cost and accrued liability for each of
4 the two groups in subsection (a) shall be based on thirty-six
5 per cent of the member's compensation for police officers,
6 firefighters, and corrections officers and twenty-two per cent
7 of the member's compensation for all other employees.
8 Commencing with fiscal year 2020-2021 and each subsequent fiscal
9 year, the employer contributions for normal cost and accrued
10 liability for each of the two groups in subsection (a) shall be
11 based on forty-one per cent of the member's compensation for
12 police officers, firefighters, and corrections officers and
13 twenty-four per cent of the member's compensation for all other
14 employees. Commencing with fiscal year 2025-2026 and each
15 subsequent fiscal year, the employer contributions for normal
16 cost and accrued liability for each of the two groups in
17 subsection (a) shall be based on forty-one and nineteen
18 hundredths per cent of the member's compensation for police
19 officers, firefighters, and corrections officers and twenty-four
20 and nineteen hundredths per cent of the member's compensation
21 for all other employees. The contribution rates shall amortize



1 the total unfunded accrued liability of the entire plan over a
2 period not to exceed the maximum funding period.

3 The contribution rates shall be subject to adjustment:

- 4 (1) If the actual period required to amortize the unfunded
5 accrued liability exceeds the maximum funding period;
6 (2) If there is no unfunded accrued liability; or
7 (3) Based on the actuarial investigation conducted in
8 accordance with section 88-105."

9 SECTION 7. Section 88-331, Hawaii Revised Statutes, is
10 amended as follows:

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

12 "(a) [A] Notwithstanding section 88-99, a class H member
13 who:

- 14 (1) Became a member before July 1, 2012, has at least five
15 years of credited service, and has attained age sixty-
16 two;
17 (2) Became a member before July 1, 2012, has at least
18 thirty years of credited service, and has attained the
19 age of fifty-five; [~~or~~]



1 (3) Becomes a member after June 30, 2012, has at least ten
2 years of credited service, and has attained age sixty-
3 five; [~~or~~]

4 (4) Becomes a member after June 30, 2012, has at least
5 thirty years of credited service, and has attained age
6 sixty[~~7~~]; or

7 (5) Becomes a member after June 30, 2012, and who is in
8 service as of July 1, 2027, or who returns to service
9 or becomes a member after June 30, 2027, and has at
10 least five years of credited service and has attained
11 the age of sixty-five,

12 shall become eligible to receive a retirement allowance after
13 the member has terminated service."

14 2. By amending subsection (f) to read as follows:

15 "(f) A member's right to the member's accrued retirement
16 benefit is nonforfeitable upon the attainment of normal
17 retirement age and the completion of the requisite years of
18 credited service.

19 For the purpose of this subsection:

20 "Normal retirement age" means age sixty-five.



1 "Requisite years of credited service" means five years for
2 class H members who became members before July 1, 2012~~[, and]~~;
3 ten years for class H members who became members after June 30,
4 2012~~[, and]~~; and five years for class H members who became members
5 after June 30, 2012, and who are in service as of July 1, 2027,
6 or who returned to service or became a member after June 30,
7 2027."

8 SECTION 8. Section 88-338, Hawaii Revised Statutes, is
9 amended by amending subsection (a) to read as follows:

10 "(a) Upon receipt by the system of proper proof of a class
11 H member's death occurring in service or while on authorized
12 leave without pay and if no pension is payable under section
13 88-339, there shall be paid to the member's designated
14 beneficiary an ordinary death benefit as follows:

15 (1) The member's accumulated contributions shall be paid
16 to the member's designated beneficiary if:

17 (A) The member became a member before July 1, 2012,
18 and had less than five years of credited service
19 at the time of death; ~~[and]~~



- 1 (B) The member became a member after June 30, 2012,
2 and had less than ten years of credited service
3 at the time of death; or
- 4 (C) The member became a member after June 30, 2012,
5 and was in service as of July 1, 2027, or who
6 returned to service or became a member after
7 June 30, 2027, and had less than five years of
8 credited service at the time of death;
- 9 (2) An amount equal to the member's hypothetical account
10 balance shall be paid to the member's designated
11 beneficiary if:
- 12 (A) The member became a member before July 1, 2012,
13 and had five or more years of credited service at
14 the time of death; ~~[or]~~
- 15 (B) The member became a member after June 30, 2012,
16 and had ten or more years of credited service at
17 the time of death; or
- 18 (C) The member became a member after June 30, 2012,
19 and was in service as of July 1, 2027, or who
20 returned to service or became a member after



- 1 June 30, 2027, and had five or more years of
2 credited service at the time of death;
- 3 (3) If the member had ten or more years of credited
4 service at the time of death, the member's designated
5 beneficiary may elect to receive in lieu of any other
6 payment provided in this section, the allowance that
7 would have been payable as if the member had retired
8 on the first day of a month following the member's
9 death, except for the month of December when
10 retirement on the first or last day of the month shall
11 be allowed. Benefits payable under this paragraph
12 shall be calculated under option 3 of section 88-83
13 and computed on the basis of section 88-332, unreduced
14 for age; or
- 15 (4) If the member was eligible for service retirement at
16 the time of death, the member's designated beneficiary
17 may elect to receive in lieu of any other payment
18 provided in this section, the allowance that would
19 have been payable as if the member had retired on the
20 first day of a month following the member's death,
21 except for the month of December when retirement on



1 the first or last day of the month shall be allowed.
2 Benefits payable under this paragraph shall be
3 calculated under option 2 of section 88-83 and
4 computed on the basis of section 88-332."

5 SECTION 9. Section 88-341, Hawaii Revised Statutes, is
6 amended by amending subsections (a) and (b) to read as follows:

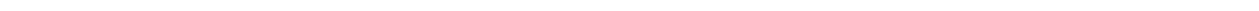
7 "(a) Any class H member who ceases to be an employee and
8 who became a member before July 1, 2012, and has fewer than five
9 years of credited service, excluding unused sick leave[~~τ~~]; or
10 who becomes a member after June 30, 2012, and has fewer than ten
11 years of credited service, excluding unused sick leave[~~τ~~]; or
12 who becomes a member after June 30, 2012, and who is in service
13 as of July 1, 2027, or who returns to service or becomes a
14 member after June 30, 2027, and has fewer than five years of
15 credited service, excluding unused sick leave, shall, upon
16 application to the board, be paid all of the former employee's
17 accumulated contributions, and the former employee's membership
18 shall thereupon terminate and all credited service shall be
19 forfeited; provided that an individual shall not be paid the
20 individual's accumulated contributions if either:



1 (1) The individual becomes an employee again within
2 fifteen calendar days from the date the individual
3 ceased to be an employee; or
4 (2) At the time the application for return of accumulated
5 contributions is received by the board, the individual
6 has become an employee again.

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

18 (b) Any class H member who ceases to be an employee and
19 who became a member before July 1, 2012, and has more than five
20 years of credited service, excluding unused sick leave[7] or who
21 becomes a member after June 30, 2012, and has more than ten



1 years of credited service, excluding unused sick leave [7]; or
2 who becomes a member after June 30, 2012, and who is in service
3 as of July 1, 2027, or who returns to service or becomes a
4 member after June 30, 2027, and has fewer than five years of
5 credited service, excluding unused sick leave, shall, upon
6 application to the board, be paid an amount equal to the former
7 employee's hypothetical account balance and the former
8 employee's membership shall thereupon terminate and all credited
9 service shall be forfeited; provided that the individual shall
10 not be paid the individual's hypothetical account balance if
11 either:

- 12 (1) The individual becomes an employee again within
13 fifteen calendar days from the date the individual
14 ceased to be an employee; or
- 15 (2) At the time the application for payment of the
16 individual's hypothetical account balance is received
17 by the board, the individual has become an employee
18 again.

19 If the contributions are not withdrawn by the former
20 employee after the individual's employment terminates, the
21 former employee shall have vested benefit status and shall be



1 eligible for the service retirement benefit in effect at the
2 time of the former employee's retirement, payable in accordance
3 with this chapter."

4 SECTION 10. This part does not affect the rights, duties,
5 and obligations that matured or were vested, or proceedings that
6 were begun, before its effective date, including but not limited
7 to, any membership that was terminated, credited service that
8 was forfeited, retirement that was finalized, or benefits which
9 were paid.

10 PART III

11 SECTION 11. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 12. This Act shall take effect upon its approval.



S.B. NO. 935
S.D. 1

Report Title:

ERS; Judges; Retirement Allowance; Tier 2 Employees; Credited Service; Benefits; Employer Contributions

Description:

Sets the retirement allowance for a member who has credited service as a judge after 1/31/2025, irrespective of age, to 1.75 per cent of the judge's average final compensation for each year of credited service as a judge. Reduces the minimum number of years of credited service qualified Tier 2 Employees' Retirement System members must have to be eligible for vested benefit status for service retirement allowance purposes from ten years to five years. Increases employer contributions to offset the resulting liability. (SD1)

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

SB935 SD1 LRB 25-0902.docx



APPENDIX 4

EXHIBIT “7”

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



GOV. MSG. NO. 1393

EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

July 3, 2025

The Honorable Ronald D. Kouchi
President of the Senate,
and Members of the Senate
Thirty-Third State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Nadine Nakamura
Speaker, and Members of the
House of Representatives
Thirty-Third State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Aloha President Kouchi, Speaker Nakamura, and Members of the Legislature:

This is to inform you that on July 3, 2025, the following bill was signed into law:

S.B. NO. 935, S.D. 2,
H.D. 3, C.D. 1

RELATING TO GOVERNMENT.
ACT 290

Mahalo,

A handwritten signature in black ink that reads "Josh Green M.D.".

Josh Green, M.D.
Governor, State of Hawai'i

Approved by the Governor

on JUL 3 2025

THE SENATE
THIRTY-THIRD LEGISLATURE, 2025
STATE OF HAWAII

ACT 290
S.B. NO. 935
S.D. 2
H.D. 3
C.D. 1

A BILL FOR AN ACT

RELATING TO GOVERNMENT.

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

1

PART I

2

SECTION 1. Section 88-47, Hawaii Revised Statutes, is

3

amended by amending subsection (a) to read as follows:

4

"(a) There shall be four classes of members in the system

5

to be known as class A, class B, class C, and class H, defined

6

as follows:

7

(1) Class A shall consist of:

8

(A) ~~[Judges,]~~ Members first employed as judges before

9

July 1, 2031, elected officials, and legislative

10

officers;

11

(B) Investigators of the department of the attorney

12

general, narcotics enforcement investigators,

13

water safety officers not making the election

14

under section 88-271, and law enforcement

15

investigations staff investigators;

16

(C) Those members in service prior to July 1, 1984,

17

including those who are on approved leave of



1 absence, not making the election to become a
2 class C member as provided in part VII or to
3 become a class H member as provided in part VIII;
4 (D) The following members in service prior to July 1,
5 2006, including those who are on approved leave
6 of absence, not making the election to become a
7 class H member as provided in part VIII:
8 (i) Members whose salaries are set forth in
9 sections 26-52 and 26-53 and their county
10 counterparts, managing directors or an
11 administrative assistant to the mayor, other
12 county department heads, and agency heads
13 appointed and subject to removal by the
14 mayor;
15 (ii) First deputies appointed by the county
16 attorney and prosecuting attorney;
17 (iii) The county clerk and deputy county clerk of
18 each county;
19 (iv) The directors of the offices of council
20 services of the county of Maui and the city
21 and county of Honolulu;



- 1 (v) The administrative director of the courts;
- 2 (vi) The deputy administrative director of the
- 3 courts;
- 4 (vii) The executive officer of the labor and
- 5 industrial relations appeals board; and
- 6 (viii) The executive officer of the Hawaii labor
- 7 relations board;
- 8 (E) All former class A retirants who return to
- 9 employment after June 30, 1984, requiring the
- 10 retirant's active membership; and
- 11 (F) All former class B retirants who return to
- 12 employment requiring the retirant's active
- 13 membership, except for:
- 14 (i) Former retirants who return in the positions
- 15 of police officer or firefighter;
- 16 (ii) Former retirants who were members on July 1,
- 17 1957, who elected not to be covered by the
- 18 Social Security Act; and
- 19 (iii) Former retirants who were in positions to
- 20 which coverage under Title II of the Social
- 21 Security Act was not extended who entered



- 1 membership after June 30, 1957, but before
2 January 1, 2004;
- 3 (2) Class B shall consist of:
- 4 (A) Police officers and firefighters, including
5 former retirants who return to service in such
6 capacity;
- 7 (B) All employees, including former retirants, who
8 were members on July 1, 1957, who elected not to
9 be covered by the Social Security Act; and
- 10 (C) All employees, including former retirants, in
11 positions to which coverage under Title II of the
12 Social Security Act is not extended, who enter
13 membership after June 30, 1957, but before
14 January 1, 2004, not making the election to
15 become a class H member as provided in part VIII;
- 16 (3) Except for members described in paragraphs (1) and
17 (2), class C shall consist of all employees, not
18 making the election to become a class H member as
19 provided in part VIII, who:
- 20 (A) First enter service after June 30, 1984, but
21 before July 1, 2006;



- 1 (B) Reenter service after June 30, 1984, but before
- 2 July 1, 2006, without vested benefit status as
- 3 provided in section 88-96(b);
- 4 (C) Make the election to become a class C member as
- 5 provided in part VII; or
- 6 (D) Are former class C retirants who return to
- 7 service requiring the retirant's active
- 8 membership; and
- 9 (4) Except for members described in paragraphs (1) and
- 10 (2), class H shall consist of all employees who:
- 11 (A) First enter service after June 30, 2006;
- 12 (B) Reenter service after June 30, 2006, without
- 13 vested benefit status as provided in
- 14 section 88-96(b);
- 15 (C) Make the election to become a class H member as
- 16 provided in part VIII; [~~or~~]
- 17 (D) Are former class H retirants who return to
- 18 service requiring the retirant's active
- 19 membership[-]; or
- 20 (E) Are first employed as a judge after June 30,
- 21 2031."



1 SECTION 2. Section 88-74, Hawaii Revised Statutes, is
2 amended by amending subsection (d) to read as follows:

3 "(d) If a member, who became a member before July 1, 2012,
4 has credited service as an elective officer or as a legislative
5 officer, the member's retirement allowance shall be derived by
6 adding the allowances computed separately under paragraphs (1),
7 (2), (3), (4), (5), and (6) as follows:

8 (1) For a member who has credited service as an elective
9 officer before July 1, 2012, irrespective of age, for
10 each year of credited service as an elective officer,
11 three and one-half per cent of the member's average
12 final compensation as computed under
13 section 88-81(e) (1), in addition to an annuity that is
14 the actuarial equivalent of the member's accumulated
15 contributions allocable to the period of service;

16 (2) For a member, who first earned credited service as an
17 elective officer after June 30, 2012, irrespective of
18 age, for each year of credited service as an elective
19 officer, three per cent of the member's average final
20 compensation as computed under section 88-81(e) (1), in
21 addition to an annuity that is the actuarial



- 1 equivalent of the member's accumulated contributions
2 allocable to the period of service;
- 3 (3) For a member who has credited service as a legislative
4 officer before July 1, 2012, irrespective of age, for
5 each year of credited service as a legislative
6 officer, three and one-half per cent of the member's
7 average final compensation as computed under
8 section 88-81(e) (2), in addition to an annuity that is
9 the actuarial equivalent of the member's accumulated
10 contributions allocable to the period of service;
- 11 (4) For a member who first earned credited service as a
12 legislative officer after June 30, 2012, irrespective
13 of age, for each year of credited service as a
14 legislative officer, three per cent of the member's
15 average final compensation as computed under
16 section 88-81(e) (2), in addition to an annuity that is
17 the actuarial equivalent of the member's accumulated
18 contributions allocable to the period of service;
- 19 (5) If the member has credited service as a judge, the
20 member's retirement allowance shall be computed on the
21 following basis:



- 1 (A) For a member who has credited service as a judge
2 before July 1, 1999, irrespective of age, for
3 each year of credited service as a judge, three
4 and one-half per cent of the member's average
5 final compensation as computed under
6 section 88-81(e) (3), in addition to an annuity
7 that is the actuarial equivalent of the member's
8 accumulated contributions allocable to the period
9 of service;
- 10 (B) For a member who first earned credited service as
11 a judge after June 30, 1999, but before July 1,
12 2012, and has attained the age of fifty-five, for
13 each year of credited service as a judge, three
14 and one-half per cent of the member's average
15 final compensation as computed under
16 section 88-81(e) (3), in addition to an annuity
17 that is the actuarial equivalent of the member's
18 accumulated contributions allocable to the period
19 of service. If the member has not attained age
20 fifty-five, the member's retirement allowance
21 shall be computed as though the member had



1 attained age fifty-five, reduced for age as
2 provided in subsection (e); ~~and~~
3 (C) For a member who first earned credited service as
4 a judge after June 30, 2012, but before July 1,
5 2031, and has attained the age of sixty, for each
6 year of credited service as a judge, three per
7 cent of the member's average final compensation
8 as computed under section 88-81(e)(3), in
9 addition to an annuity that is the actuarial
10 equivalent of the member's accumulated
11 contributions allocable to the period of service.
12 If the member has not attained age sixty, the
13 member's retirement allowance shall be computed
14 as though the member had attained age sixty,
15 reduced for age as provided in subsection (i);
16 and
17 (D) For a member who first earned credited service as
18 a judge after June 30, 2031, and has attained the
19 age of sixty, for each year of credited service
20 as a judge, one and three-fourths per cent of the
21 member's average final compensation as computed



1 under section 88-81(e)(3), in addition to an
2 annuity that is the actuarial equivalent of the
3 member's accumulated contributions allocable to
4 the period of service. If the member has not
5 attained age sixty, the member's retirement
6 allowance shall be computed as though the member
7 had attained age sixty, reduced for age as
8 provided in subsection (i); and

9 (6) For each year of credited service not included in
10 paragraph (1), (2), (3), (4), or (5), the average
11 final compensation as computed under
12 section 88-81(e)(4) shall be multiplied by two per
13 cent for credited service earned as a class A or class
14 H member, two and one-half per cent for credited
15 service earned as a class B member, and one and
16 one-quarter per cent for credited service earned as a
17 class C member. If the member has not attained age
18 fifty-five, the member's retirement allowance shall be
19 computed as though the member had attained age
20 fifty-five, reduced for age as provided in
21 subsection (e).



1 The total retirement allowance shall not exceed seventy-five per
2 cent of the member's highest average final compensation
3 calculated under section 88-81(e) (1), (2), (3), or (4). If the
4 allowance exceeds this limit, it shall be adjusted by reducing
5 any annuity accrued under paragraphs (1), (2), (3), (4), and (5)
6 and the portion of the accumulated contributions specified in
7 these paragraphs in excess of the requirements of the reduced
8 annuity shall be returned to the member upon the member's
9 retirement or paid to the member's designated beneficiary upon
10 the member's death while in service or while on authorized leave
11 without pay. If a member has service credit as an elective
12 officer or as a legislative officer in addition to service
13 credit as a judge, then the retirement benefit calculation
14 contained in this subsection shall supersede the formula
15 contained in subsection (c)."

16 PART II

17 SECTION 3. (a) The department of human resources
18 development shall conduct a study of the impacts and benefits of
19 reducing, from ten years to five years, the minimum number of
20 years of credited service that qualified tier 2 hybrid class
21 members of the employees' retirement system must have to be



1 eligible for vested benefit status for service retirement
2 allowance purposes.

3 (b) The department of human resources development shall
4 submit a report of its findings and recommendations, including
5 any proposed legislation, to the legislature no later than
6 twenty days prior to the convening of the regular session of
7 2027.

8 (c) As used in this section, "tier 2 hybrid class member
9 of the employees' retirement system" means a person who became a
10 member of the employees' retirement system under part VIII of
11 chapter 88, Hawaii Revised Statutes, after June 30, 2012.

12 SECTION 4. There is appropriated out of the general
13 revenues of the State of Hawaii the sum of \$300,000 or so much
14 thereof as may be necessary for fiscal year 2025-2026 for the
15 department of human resources development to conduct the study
16 pursuant to section 3 of this part.

17 The sum appropriated shall be expended by the department of
18 human resources development for the purposes of this part.

19 PART III

20 SECTION 5. This Act does not affect the rights, duties,
21 benefits, and obligations that matured or were vested, or



1 proceedings that were begun, before its effective date,
2 including but not limited to any membership that was terminated,
3 credited service that was forfeited, retirement that was
4 finalized, or benefits that were paid.

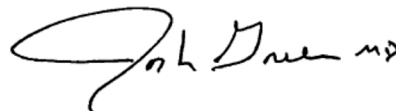
5 SECTION 6. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 7. This Act shall take effect on July 1, 2025.



S.B. NO. 935
S.D. 2
H.D. 3
C.D. 1

APPROVED this 3rd day of July, 2025



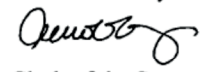
GOVERNOR OF THE STATE OF HAWAII

THE SENATE OF THE STATE OF HAWAI‘I

Date: April 30, 2025
Honolulu, Hawai‘i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate
of the Thirty-Third Legislature of the State of Hawai‘i, Regular Session of 2025.


President of the Senate


Clerk of the Senate

SB No. 935, SD 2, HD 3, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: April 30, 2025
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Third Legislature of the State of Hawaii, Regular Session of 2025.



Nadine K. Nakamura
Speaker
House of Representatives



Brian L. Takeshita
Chief Clerk
House of Representatives