

# Leaving State or County Employment?

**Noncontributory Plan**



Employees' Retirement System  
of the State of Hawaii

# Frequently asked retirement questions for those leaving State or County employment

## Noncontributory Plan

### 1. How do I know what retirement plan I am enrolled in?

You may contact the ERS Office or your Personnel Office to find out your retirement plan.

The Employees' Retirement System (ERS) is comprised of three retirement plans: Contributory, Hybrid, and Noncontributory. Your occupation and the date you became an ERS member determined what plan you are enrolled in.

Noncontributory Plan members are most employees hired from July 1, 1984, and before July 1, 2006, as well as employees hired before July 1, 1984, who elected to transfer from the Contributory Plan. If you are a Noncontributory member, your pay statement will show no retirement deductions from your salary.

Contributory and Hybrid Plan members have retirement contributions deducted from their monthly salary.

### 2. What are the minimum requirements for service retirement?

- If you have at least 10 years of credited service AND you are age 62 or older when you leave your job, you can retire with full benefits.
- If you have at least 30 years of credited service AND you are age 55 or older, you can retire with full benefits.
- If you have at least 20 but less than 30 years of credited service AND you are at least 55 years of age, you can retire before age 62 with a reduced benefit. The reduction factor is 6% for each year you are below age 62.
- If you have at least 25 years of credited service as a sewer worker, water safety officer, or an emergency medical technician AND your last five years of credited service prior to retirement are in any of these occupations, you can retire before age 55 with full benefits.
- If you leave your job before age 62 with at least 10 but less than 20 years of credited service and you do not return to a State or County job covered by ERS, you must wait until age 65 to retire.

Please contact an ERS office if you are eligible to retire. We must receive your retirement application at least 30 days or up to 150 days before your retirement date.

### **3. What is credited membership service?**

Credited membership service is the length of time you work for the State or County while a member of the ERS. If you are employed for 15 or more calendar days in any month (14 calendar days in February), you will receive one month of service credit. It includes regular membership service and authorized leaves such as industrial injury, sabbatical, educational, and professional improvement. Previous service and active military duty may also be acquired for additional service credit.

If you have any additional service to acquire you should file your claim with the ERS before you leave your State or County job. If you do not file your claim before you leave your State or County job, check with the ERS immediately to find out if you are still eligible to claim the additional service.

### **4. Am I entitled to any retirement benefits when I leave my job?**

Yes, if you have at least 10 years of credited service, you will be eligible for a retirement benefit when you meet the age requirement.

If you later return to a State or County job covered by ERS before you retire, you will be enrolled in the Hybrid Plan unless you are required by law to join the Contributory Plan.

### **5. What if I do not have at least 10 years of credited service?**

You are NOT eligible for a retirement benefit.

### **6. What happens if I return to a State or County job covered by ERS?**

If you return by the end of the next calendar year after the year you leave employment, you will retain all of your service credits and you will continue to earn additional service credits during your next employment period.

If you return after the end of the next calendar year, you will lose (forfeit) all of your credited service and will “earn back” at no cost, one month of forfeited Noncontributory service credit with each credited month of re-employment.

Example: Wes had 5 years of service credit in the Noncontributory Plan when his job ended on June 30, 2012. If he does not return by December 31, 2013, he will forfeit his 5 years of service credit. If Wes is rehired any time after December 31, 2013, he will “earn back” at no cost one month of forfeited Noncontributory service with each credited month of re-employment. After 5 years of re-employment, Wes will have “earned back” 5 years of Noncontributory service and will have a total of 10 years of credited service.

Regardless of the years of service you had when you left your job, you will be enrolled in the Hybrid Plan when you return to work unless you are required by law to join the Contributory Plan.

In most cases, if you move from one State or County job covered by ERS to another without a working day break in service, you will continue your membership in the Noncontributory Plan. Be sure to inform your new personnel office of your transfer.

Your personnel office will also be able to tell you whether your new job is covered by ERS.

## **7. What will happen to my unused sick leave?**

If you are eligible for a service retirement benefit your unused sick leave may be used to increase your retirement benefit if you have at least 60 days of unused sick leave and you leave government service in good standing for each termination. However, your unused sick leave cannot be used to meet the minimum retirement eligibility requirements. Every 20 days of unused sick leave is equal to one month of service credit. Your personnel/payroll office will determine your unused sick leave balance.

Example: Wes has 9 years and 6 months of credited service and 6 months of unused sick leave. The 6 months of unused sick leave cannot be used to meet the 10-year minimum requirement for retirement. If Wes has at least 10 years of credited service when he retires, the 6 months of unused sick leave will be used to increase his credited service for the purpose of calculating her monthly retirement benefit.



## 8. What about my lump sum vacation payment?

Your lump sum vacation payment is determined by your personnel/payroll office. It will not increase your retirement service credits or affect your retirement benefit.

## 9. What happens if I pass away after I leave my job?

Death benefits are not payable if you are no longer employed in a State or County job covered by ERS. However, if you are eligible for a retirement benefit, when you retire you may select a retirement option that will allow your beneficiary to receive a benefit when you die.

### Important Message

**Before leaving employment please contact our office to get up to date information on your retirement benefits eligibility and to make sure the ERS has your correct address and contact information.**

Call or write to us at the Oahu office listed on the back cover or any of the following other ERS locations listed below. You can also check our website at <http://ers.ehawaii.gov/> for additional information.

#### **Hawaii**

101 Aupuni Street, Room 208  
Hilo, Hawaii 96720  
Phone: 974-4076, 974-4077  
Fax: 974-4078  
Toll-free to Oahu: 974-4000, ext.61735

#### **Kauai**

3060 Eiwa Street, Room 302  
Lihue, Hawaii 96766  
Phone: 274-3010, 274-3011  
Fax: 241-3193  
Toll-free to Oahu: 274-3141, ext. 61735

#### **Maui**

State Office Building, Room 218  
54 S. High Street  
Wailuku, Hawaii 96793  
Phone: 984-8181, 984-8282  
Fax: 984-8183  
Toll-free to Oahu: 984-2400, ext.61735

#### **Molokai/Lanai**

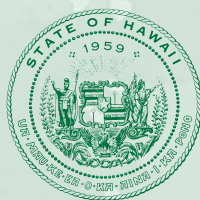
Toll-free to Oahu: 1-800-468-4644, ext. 61735

#### **U.S. Mainland**

Toll-free to Oahu: 1-888-659-0708



**Employees' Retirement System**  
of the State of Hawaii



Employees' Retirement System  
City Financial Tower  
201 Merchant Street, Suite 1400, Honolulu, Hawaii 96813-2980  
Phone: 586-1735 · Fax: 587-5766 · Website: <http://ers.ehawaii.gov/>

*This handout provides general information to consider prior to leaving employment. This is not a contract and does not amend, modify, override, or nullify any statute, rule, policy, procedure or document used in the retirement process. The rights and benefits that you are entitled to receive are governed by rules and statutes which may change.*