

NEIL ABERCROMBIE
GOVERNOR



STATE OF HAWAII
EMPLOYEES' RETIREMENT SYSTEM

May 30, 2012

TO: State and County Department Heads

FROM: Wesley K. Machida *Wesley K. Machida*
Administrator

SUBJECT: Servicemen's Act (Updated Procedures)

The purpose of this memorandum is to inform you that the Employees' Retirement System (ERS) has updated the procedures for employees returning from military deployment who are covered under the Servicemen's Act.

Attached are the procedures including a new step for the department to expedite the payment and coverage for the employee.

This information will be covered at our upcoming briefing for personnel and payroll staff on June 1, 2012, at Mission Memorial Hall.

Should you have any questions regarding the Servicemen's Act procedures, please contact Martin Mori, Program Specialist, at 586-1790 or Karl Kaneshiro, Retirement Benefits Manager, at 586-1649.

MM:mp



Employees' Retirement System
of the State of Hawaii

Servicemen's Act - Procedures

In order to be covered under the Servicemen's Act the following conditions apply:

- (1) The cumulative length of time for which an employee shall be entitled to payment of contributions by the employer shall not exceed four years;
- (2) The employee returns to state or county government service within ninety days of release from active duty or dies in the performance of the employee's military service; and
- (3) The employee's release from active duty was under honorable conditions.

Department's Responsibilities	ERS Action
<p>Within 30 days, upon return of the employee to State or County employment from active duty, the department will send the following to ERS:</p> <ol style="list-style-type: none"> 1. Notice of personnel action documents showing (1) the leave without pay date, (2) the return date (or certificate of death) and (3) any salary changes that would have occurred had the employee not been on leave must also be included. 2. Employee's DD-214 (Member-4 copy) under Title 10 USC, If a DD-214 is not available we will accept verification from the Office of Veteran's Affairs or commanding officer showing that the service was performed under Title 10 USC and including the actual dates the employee was on active duty. <p>The ERS cannot accept the Orders that the employee received as it may not have the actual dates that the employee was placed on active duty.</p> <ol style="list-style-type: none"> 3. (New) Complete and attach <u>Servicemen's Act Contributions Worksheet</u> (worksheet and sample attached). An electronic version of the worksheet is available on our website under Employer -> Forms. 	<p>Upon receipt of the department's documents, the ERS will verify the employee's eligibility for the Servicemen's Act.</p> <p>If eligible, the ERS will send the payment certificate to the department (for Hybrid & Contributory Plan employees only). Only active duty service performed under the authority of Title 10 USC (wartime or national emergency) is eligible for coverage under the Servicemen's Act.</p> <p>Payment must be received within 60 days of the employee's return to work.</p> <p>If not eligible, the ERS will inform the employee and copy the department. Active Duty service performed under Title 32 USC (training) is not eligible for coverage under the Servicemen's Act. The ERS will contact the employee in regards to purchasing the service if it was performed under Title 32.</p> <p><u>FYI:</u></p> <p><u>Title 10: A member of the reserves is considered to be on active military duty if he or she is "federalized" under Title 10 USC, Section 672, during war or a national emergency.</u></p> <p><u>Title 32: Title 32 USC, Section 502, is used for training purposes and is not considered active military service for the purposes of the Servicemen's Act.</u></p>

As a reminder, Act 169/2006 amended the Servicemen's Act for Contributory and Hybrid members who are called to active military duty. The law set a deadline for payment of contributions by the employer (on behalf of the employee), and requires the ERS to assess State and County departments regular interest (4 ½% or 2% [based on employee's membership date] compounded annually) on contributions not received within 60 days of the employee's return to service or the date of the employee's death in performance of the employee's military duty.

CALCULATION OF CONTRIBUTIONS FOR MILITARY LEAVE UNDER THE SERVICEMEN'S ACT

Return completed form to: Employees' Retirement System
(with Personnel forms & DD-214) 201 Merchant Street, Suite 1400
Honolulu, Hawaii 96813
ATTENTION: Karl Kaneshiro

(SAMPLE)

OR Email: hiers03@hiers.org
FAX: 587-5766

Employee Name:	John Doe
Social Security Number:	123-45-6789
Employer Name:	City & County of Honolulu
Department/Div:	HPD
Employee Contribution Rate:	6% ___ 7.8% ___ 12.2% <u>X</u> Other (specify %) ___ (No contributions are required for Noncontributory Plan employees)
Military Leave Without Pay Start Date:	1/23/2012
Military Leave Without Pay End Date:	10/10/2012

In the space below, please provide the monthly salaries that would have been paid and the related contributions if the employee had not been on military leave without pay:

Earning Period Start Date	Earning Period End Date	REG PAY (include differential)	Calculation of pay (for partial months)	Contributions Due (based on % rate)
1/23/2012	1/31/2012	\$1,590.91	7/22 x \$5,000.00	\$194.09
2/1/2012	2/28/2012	\$5,000.00		\$610.00
3/1/2012	3/31/2012	\$5,000.00		\$610.00
4/1/2012	4/30/2012	\$5,000.00		\$610.00
5/1/2012	5/31/2012	\$5,000.00		\$610.00
6/1/2012	6/30/2012	\$5,000.00		\$610.00
7/1/2012	7/31/2012	\$5,000.00		\$610.00
8/1/2012	8/31/2012	\$5,000.00		\$610.00
9/1/2012	9/30/2012	\$5,000.00		\$610.00
10/1/2012	10/10/2012	\$1,739.13	8/23 X \$5,000.00	\$212.17
Total amount due:				\$5,286.26

Completed by: _____

Phone No.: _____