

Cost to purchase service increases July 1

Posted April 16, 2020

Members eligible to purchase ERS service are reminded that the cost will increase because it will be actuarially calculated starting on July 1, 2020. Purchases include eligible refunded service or previous membership service, active duty military service, and other authorized leave periods.

Eligible purchases are currently calculated based on the member's plan, salary at the time of the claim, and plan's contribution rate. The actuarial calculation for purchases starting July 1 takes into consideration the member's age, retirement age eligibility requirements, the ERS's investment yield rate, and other actuarial assumptions.

The change was made in [Act 86, Session Laws of Hawaii 2015](#), signed into law by Gov. David Ige on June 5, 2015.

Claims can be submitted on the [ERS 243](#) "Membership Information Form," which is located at ers.ehawaii.gov > Members > Member Forms > Miscellaneous.

For those with a membership date after June 30, 2016, all claims must be filed within one year of entering service or within a year when eligibility requirements are met. For purchasing military service, claims must be made within one year after the member meets the criteria to purchase. The start of the one-year purchase period would be the date that ERS certifies this service.

Please be advised that ERS does not certify any appointments for non-eligible membership such as substitute teachers, 89-day emergency hires, graduate assistant, legislative session worker, or short term/temporary appointments of three months or less.

If you have any questions, contact our Call Center at (808) 586-1735.

Cost to Purchase Service

This example for a 55 year-old Hybrid (Tier 1, membership date prior to July 1, 2012) member with 25 years of service, who is purchasing 2 years of service.

CURRENT

Years to Purchase: 2 Years (24 months)

Cost: \$7,200 (\$300 x 24 months)

Calculation: \$5,000 (Salary) x 6% (contribution rate) = \$300

EFFECTIVE JULY 1, 2020

\$56,300 (actuarial calculation based on age and eligibility for retirement)