



Employees' Retirement System  
of the State of Hawaii

## New calculation to purchase service in effect

Posted April 16, 2020 (Updated September 24, 2020)

Members eligible to purchase ERS service are reminded that the cost is actuarially calculated, effective July 1, 2020. Purchases include eligible refunded service or previous membership service, active duty military service, professional improvement leaves, and other authorized leave periods.

Eligible purchases were previously 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.hawaii.gov](#) > Members > Member Forms > Miscellaneous. For previous military service claims only, use [Form 1551](#).

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 teacher, 89-day emergency hire, student hire, graduate assistant, legislative session worker, or short term/temporary appointment of three months or less.

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

### Cost to Purchase Service

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

#### PRIOR TO JULY 1, 2020

**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)