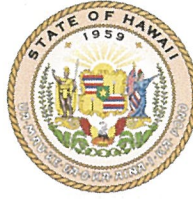


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STATE OF HAWAII
EMPLOYEES' RETIREMENT SYSTEM

October 11, 2018

To: State and County Personnel Offices
From: Thomas Williams, Executive Director
Subject: Employees' Retirement System Membership Service Credit

Membership Service

The purpose of this memorandum is to clarify that service creditable for Employees' Retirement System (ERS) retirement benefits include:

- 1) service earned while the employee is enrolled and employed in an ERS membership-eligible position,
- 2) service certified as previous membership or military service, and
- 3) membership service while on approved leaves without pay (i.e., Servicemen's Act, Professional Improvement Leaves).

Source documents (attached):

- Hawaii Revised Statutes Sections **88-21** and **88-43**
- Hawaii Administrative Rules Chapter **6-21-14**

It is the employer's responsibility to determine the employee's ERS membership eligibility by the employment position and type of appointment and to confirm the employee's ERS benefits by submitting the required enrollment and personnel documents.

Excluded Service

The ERS Board of Trustees has already determined classes of employees which may be excluded from ERS membership service credit by Hawaii Administrative Rules under Chapter 6-21-14, which include:

1. **6-21-14(2)**. Persons employed on short-term or temporary appointments of three months or less;
2. **6-21-14(5)**. Persons employed in any position requiring less than one-half of full time employment. (Note: The University of Hawaii is responsible for providing determinations of the FTE and membership eligibility for UH faculty members or lecturers with respect to HRS §88-43 and HAR 6-21-14(2)); and



Employees' Retirement System
of the State of Hawaii

3. **6-21-14(7)**. Persons employed in any position where:
The employment is "casual" or "intermittent"; and
The percentage of full-time equivalence is "indeterminate."

The only exception to 6-21-14(7) above, which would allow for membership service credit to be considered by ERS, is when all the following criteria are met:

- a. A position in which employment is "casual" or "intermittent";
- b. A position in which the determination of "percentage of full-time equivalence" has been "indeterminate"; and
- c. After at least three (3) consecutive months, the employment has been determined by the employer to average 20 or more hours per week (i.e., 50% FTE).

Personnel action forms are required to establish that the employee's employment has changed from criteria (a) and (b) employment, and that criteria (c) qualifies the employee for ERS membership enrollment. The employer must determine the employee's ERS enrollment date, complete enrollment and personnel documents and process employer and (if applicable) employee contributions accordingly.

Should you have any questions, please contact our Employer Team at (808) 586-1735 or by email at dbf.ers.sss@hawaii.gov, subject line: "Employer Team."

Note: This memorandum supersedes all previous ERS memoranda related to ERS membership service.

Attachments

§88-21 Definitions. The following words and phrases as used in this part, unless a different meaning is plainly required by the context, shall have the following meanings:

"Employee": any employee or officer of the State or any county, including inspectors, principals, teachers and special teachers, regularly employed in the public schools, cafeteria managers and cafeteria workers, apprentices and on-the-job trainees whether or not supported in whole or in part by any federal grants, members of the legislature and other elective officers, including the trustees of the office of Hawaiian affairs, year-round legislative employees who are employed on a full-time basis, probationary and provisional employees, any employee of the educational nonprofit public corporation as provided in section 88-49.7, per diem employees and others who are made eligible by reason of their employment to membership in the system by or pursuant to any other provision of law, but excluding:

(1) Per diem employees who elect to withdraw or not to become members as provided in section 88-42;

(2) Elective officers who do not elect to be members as provided in section 88-42.6;

(3) Session employees of the legislature employed after October 31, 2006, in accordance with section 88-54.2; and

(4) Persons excluded by rules of the board pursuant to section 88-43.

An individual is an employee during the period of a leave of absence if the individual is in service, as defined in this part, during the period of the leave of absence and the board shall determine who are employees within the meaning of this part.

"Member": any person included in the membership of the system.

§88-43 Persons ineligible for membership. Except with respect to faculty members or lecturers employed on one or more campuses of the University of Hawaii who hold multiple part-time appointments or positions, in such capacities, any of which may be less than one-half of a full-time equivalent but all of which, when added together, aggregate to at least one-half of a full-time equivalent position, the board may deny membership to any class of part-time employees or persons engaged in temporary employment of three months or less; provided that no officer or employee entering service after January 1, 1928, who is entitled to become a member of any pension system under part III shall be entitled to become a member of the system.

SUBCHAPTER 4

EXCLUSION FROM MEMBERSHIP OF CERTAIN EMPLOYEES

§6-21-13 Scope. This subchapter shall govern the exclusion from membership in the system of certain classes of employees who are employed on a part-time or short-term basis and members of the legislature who do not elect to be members of the system. [Eff 11/9/81; am and comp 2/9/89] (Auth: HRS §88-28) (Imp: HRS §88-43)

§6-21-14 Employees excluded from membership. The following classes of employees shall be excluded from membership in the system:

- (1) Persons employed by the legislature or any committee thereof; except that legislative employees employed on a full-time basis during and between sessions and any member of the system on leave of absence to be employed by the legislature during any legislative session shall be included in the membership of the system as provided in sections 88-21 and 88-54, Hawaii Revised Statutes;
- (2) Persons employed on short-term or temporary appointments of three months or less;
- (3) Persons employed as substitute teachers;
- (4) Persons employed in part-time positions in adult education and evening class programs;
- (5) Persons in any position requiring less than one-half or full-time employment, including but not limited to, lecturers teaching less than seven credit hours per semester at baccalaureate colleges of the University of Hawaii and lecturers teaching less than eight credit hours per semester in the community colleges of the University of Hawaii;
- (6) Graduate assistants of the University of Hawaii;
- (7) Persons employed in any position where employment is casual or intermittent and the percentage of full-time equivalence is indeterminate; provided that after at least three months, any person whose employment has been determined to average twenty or more hours per week shall be included in the membership of the system;
- (8) Members of the legislature who do not elect to be members as provided in section 88-42, Hawaii Revised Statutes; or
- (9) Students, including graduate school students, employed as student helpers, student hires, student aides, summer student law clerks, college student interns, or in similar non-permanent positions. [Eff 11/9/81; am and comp 2/9/89] (Auth: HRS §88-28) (Imp: HRS §§88-21, 88-43)