



Employees' Retirement System
of the State of Hawaii

201 Merchant Street, Suite 1400
Honolulu, Hawaii 96813-2980

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE PAID
HONOLULU, HI
PERMIT NO. 643

RETURN SERVICE REQUESTED

IMPORTANT NOTICE
PLEASE READ – SEMI-MONTHLY PENSIONERS

EMPLOYEES' RETIREMENT SYSTEM
IMPORTANT NOTICE - PLEASE READ

CONVERTING FROM SEMI-MONTHLY PENSION PAYMENTS
TO MONTHLY PENSION PAYMENTS

PENSION PAYMENT DATES EFFECTIVE JANUARY 1, 2011

Please keep this for your information

Employees' Retirement System of the State of Hawaii
Explaining the Conversion from Semi-Monthly Pension Payments to Monthly Pension Payments Effective for 2011
 (Act 94, 2010 SLH) as of November 2010

What are the changes for Act 94?

Effective January 2011, ERS will change how pension payments are processed as follows.

- During the transition period from January to June 2011, the payment usually paid on the 15th of each month will be gradually delayed.
- Effective July 2011, your total pension benefit will be paid at the end of each month.

Am I affected by the conversion to monthly pension payments in 2011?

Yes, if you receive this notice you are one of the 22,000+ individuals receiving semi-monthly payments that are required to convert to monthly payments.

*** Only 2,800 will continue to receive semi-monthly payments since they meet **ALL** three exemption requirements (per Act 94/2010):

1. Gross semi-monthly payment is \$400 or less (\$800 per month) on January 1, 2011
2. Attain 80 years old on January 1, 2011 (i.e. date of birth is before January 2, 1931?
3. Began receiving semi-monthly payments by 12/31/2002?

Questions – for those being converted?

1. Why are payments being gradually delayed each month during the transition period?
 - A. To allow pensioners time to adjust their finances from receiving 2 payments per month to 1 payment per month.
2. How will I know what my monthly pension benefit amount is when the conversion takes place in July 2011?
 - A. ERS will mail all pensioners a payment statement when the change is made for the July 29, 2011 payment. The statement will show information on your gross monthly pension payment and deductions.

Example – Convert to Monthly Payment

Mr. Aloha retired on 12/31/2002, receives a gross semi-monthly pension benefit in December 2010 of \$980 (or \$1960 per month). Deductions include \$41 in federal withheld taxes (FWT) and \$15 in other deductions.

In July 2011, Mr. Aloha will receive his annual Post Retirement (PR) increase of \$40 based on his monthly pension benefit amount. His new gross monthly pension will be \$2,000.

- The name of your benefit type will change from '*Pension Semi-Monthly*' to '*Pension Monthly*' effective July 2011.

Mr. Aloha will be paid as follows:

Benefit Type	Pension Semi-monthly	Pension Monthly
Payment Dates	Semi-monthly (to June 2011)	Monthly (from July 2011)
Pension	\$980	\$2,000 ⁽¹⁾
Less:		
FWT ⁽²⁾	- 41	- 85
Other ⁽³⁾	- 15	- 30
Net Pay	\$924	\$1,885

⁽¹⁾ Effective July 1, 2011 (Semi-monthly + PR) x 2 or (\$980 +20= \$1,000; \$1000 x 2 = \$2,000)

⁽²⁾ Federal tax withholding increase in July is due to the increase in the gross pension payment subject to FWT.

⁽³⁾ Other deductions are converted to a monthly amount (\$15 x 2=\$30).

Payment Dates

During 2011 the payment dates (with payment amounts from the previous example) are:

Transition Period – 'Pension Semi-Monthly' payment dates for payment on 15th gradually delayed each month (1/1/ 2011 to 6/30/2011):

Semi-monthly (15 th of month)		End of Month Payment	
Payment Date	Gross Pension	Payment Date	Gross Pension
Jan 18	\$980	Jan 31	\$980
Feb 18	\$980	Feb 28	\$980
Mar 21	\$980	Mar 31	\$980
Apr 21	\$980	Apr 29	\$980
May 23	\$980	May 31	\$980
Jun 24	\$980	Jun 30	\$980

Convert to 'Pension Monthly' payment effective July 1, 2011.

End of Month Payment		End of Month Payment	
Payment Date	Gross Pension	Payment Date	Gross Pension
Jul 29	\$2,000	Oct 31	\$2,000
Aug 31	\$2,000	Nov 30	\$2,000
Sep 30	\$2,000	Dec 30	\$2,000

Phone Numbers

Oahu Office, Phone: (808) 586-1735
Kauai Office, Phone: (808) 274-3010
Hawaii Office, Phone: (808) 974-4077
Maui Office, Phone: (808) 984-8181
Molokai & Lanai, toll free to Oahu:
 1-800-468-4644, ext 61735
Continental U.S. toll free to Oahu:
 1-888-659-0708

Please keep this for your information