

STATE OF HAWAII
Accounting Manual

Volume III
Part 300: Deductions from Gross Payroll

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SECTION 346: ADDITIONAL RETIREMENT AND RETROACTIVE FICA TAX CONTRIBUTIONS

General Comments

Additional retirement contributions are allowed to be made only by qualifying employees desiring to purchase service credits for prior services rendered for which credit as membership service had not been previously obtained. Contributions for the purpose of purchasing further additional annuity, although permitted in the past, are no longer allowed. Also, certain employees who were not required to be FICA members, in the past, have the option to be a FICA member when an "open season" period is announced by the Social Security Administration. When this option is taken, arrangements are made by the employee with the Employees' Retirement System of the State of Hawaii for retroactive payments directly or through the payroll deduction plan.

"Your Retirement System", a publication issued by the Employees' Retirement System of the State of Hawaii, includes provisions and conditions under which an employee may request and receive approval for additional retirement and retroactive FICA tax contributions.

Legal Provisions

Chapter 88 of the Hawaii Revised Statutes provides the legal basis for the instructions, provisions, and conditions contained in the booklet, "Your Retirement System", referred to above.

Forms

The STATE ACCOUNTING FORM D-60, SALARY ASSIGNMENT/CANCELLATION (SAForm D-60), is a multi-purpose form that is used to report a request for salary assignment or to change or cancel the amount assigned as additional retirement or retroactive FICA tax contributions. Refer to Part 700, Appendix, for form illustrations and related instructions.

Procedures

The General Voluntary Deduction Procedures as presented in SECTION 340: VOLUNTARY DEDUCTIONS are followed in processing additional retirement and retroactive FICA tax contribution assignments, changes, or cancellation of assignments.

Assignments, changes, or cancellation of additional retirement and retroactive FICA tax assignments are processed through the Employees' Retirement System of the State of Hawaii and distributed as noted on each copy of the SAForm D-60.