
A BILL FOR AN ACT

RELATING TO THE REHIRING OF RETIREES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature recognizes the changing
2 demographics of the workforce; that in fact, the workforce is
3 aging with an increasing number of state and county employees
4 becoming eligible to retire with full retirement benefits. The
5 legislature also recognizes that life spans have increased, not
6 only because of advances in medicine and technology, but because
7 people are choosing to live healthier lifestyles.

8 Ken Dychtwald, noted gerontologist, notes that older adults
9 are blessed with longer, healthier lives, and are looking for a
10 more fulfilling life (not the typical retirement) and wanting to
11 stay longer or re-enter the workforce. Dychtwald offers that we
12 are in an era where people will grow old slower, live longer,
13 and may never retire, or may retire three or more times as they
14 start new careers, go back to school, or even raise a second or
15 third family.

16 Myths associated with older workers have been found to be
17 just myths. Older workers do not get into more on-the-job
18 accidents than other workers, they do not have higher rates of



1 absenteeism, and their job performance does not decrease with
2 age.

3 The legislature understands that with the low unemployment
4 the State is now experiencing, state and county governments have
5 more vacancies occurring with a dwindling number of qualified
6 applicants. They, especially the State, have many jobs
7 categorized as hard-to-fill, or as being in a labor-shortage
8 category.

9 While retired state and county employees are now permitted
10 to work for temporary periods of eighty-nine consecutive days or
11 for less than twenty hours per week without jeopardizing their
12 retirement benefits, there is no reason not to afford the state
13 and county governments the ability to hire state and county
14 government employees on a full-time basis, considering too that
15 if they don't work for the government, they will instead, work
16 for the private sector. This Act will allow state and county
17 employers to recruit from the same group of qualified applicants
18 as private employers and give the government employers equal
19 footing with the private sector employer in hiring state and
20 county retirees.

21 The legislature believes this Act will strike a balance
22 between the state and county government's need to hire skilled



1 and qualified employees and retired State and county government
2 employees' desire to continue to work for the State or county
3 government. This Act will allow retired state and county
4 government employees to again work for the state or county
5 governments without incurring any negative retirement
6 consequences, such as the forfeiture of retirement benefits
7 already earned and being collected by employees.

8 SECTION 2. Chapter 88, Hawaii Revised Statutes, is amended
9 by adding a new section to be appropriately designated and to
10 read as follows:

11 "§88- Re-employment of state and county retirees. (a)
12 Appointing authorities in the state and county government's
13 executive branches may employ retired state and county
14 government employees who are receiving retirement benefits under
15 this chapter. New retirees, for civil service positions, shall
16 be recruited and selected under normal civil service procedures.
17 The director of human resources development, for employees hired
18 by the State, or the respective chief human resource management
19 executive for the county for employees hired by that county,
20 shall certify the hiring of the retiree as having been done
21 pursuant to civil service laws.



1 (b) Notwithstanding any law to the contrary, retired state
2 and county government employees who are hired by the State or
3 any of the counties shall not earn retirement service credit,
4 contribute to the retirement system, or gain additional
5 retirement system benefits as a result of their subsequent
6 employment with the State or a county and the employed-retiree
7 shall continue to receive the employee's normal retirement
8 benefits without penalty.

9 (c) This section shall not preclude a retiree from
10 returning to work and relinquishing the employee's retirement
11 benefits to earn new service credits and gain additional
12 retirement benefits for a future retirement date as may be
13 allowed by this chapter."

14 SECTION 3. New statutory material is underscored.

15 SECTION 4. This Act shall take effect on July 1, 2006.

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INTRODUCED BY: Calvin K. Boy

BY REQUEST

JAN 23 2006



H.B. NO. 2514

Report Title:

ERS; retirees

Description:

Enables public retirees to be rehired by the State or counties without suspension of their benefits.

