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

16           Myths associated with older workers have been found to be  
17 just that--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. Many jobs are categorized as hard-to-fill or are  
7 classified in a labor-shortage category.

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

20       The legislature believes this Act will strike a balance  
21 between the state and county governments' need to hire skilled  
22 and qualified employees and retired state and county government



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

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

10 "§88- Re-employment of state and county retirees. (a)  
11 Appointing authorities in the state and county government may  
12 employ a retired state or county government employee who is  
13 receiving retirement benefits under this chapter in critical-to-  
14 fill or labor shortage positions. A retiree subject to this  
15 section shall be recruited and selected for civil service  
16 positions under normal civil service procedures. The director  
17 of human resources development, for employees hired by the state  
18 executive branch, the director of human resources of the  
19 judiciary, for employees hired by the judiciary, or the  
20 respective chief human resources management executive for the  
21 respective counties, for employees hired by a county, shall  
22 certify that the retiree was hired in accordance with applicable



1 civil service laws. To qualify for full-time employment, the  
2 retiree shall be retired from a state or county government  
3 position for at least one calendar year prior to re-employment.

4 (b) Notwithstanding any law to the contrary, a retired  
5 state or county government employee who is hired by the state or  
6 county government under this section:

7 (1) Shall not earn retirement service credit, contribute  
8 to the system, or gain additional system benefits as a  
9 result of the retiree's subsequent employment with the  
10 State or a county; and

11 (2) Shall continue to receive the employee's normal  
12 retirement benefits without penalty.

13 (c) This section shall not preclude a retiree from  
14 returning to work and relinquishing the employee's retirement  
15 benefits to earn additional service credit and gain additional  
16 retirement benefits for a future retirement date as may be  
17 allowed by this chapter.

18 (d) For the purposes of this section:

19 "State or county governments" means the State or any of its  
20 branches, including the judiciary, or any of the respective  
21 counties.



1       "Retired state or county employee" means any former  
2 employee of the State or any of its branches, including the  
3 judiciary, or of a respective county, who is classified by the  
4 system as a retirant."

5       SECTION 3. New statutory material is underscored.

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

**Report Title:**

Employees' Retirement System; Retirees; Rehire

**Description:**

Enables public retirees to be rehired by the State or counties without suspension of their benefits. (SD2)

