
A BILL FOR AN ACT

RELATING TO THE RE-EMPLOYMENT 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 -- the workforce is aging with an
3 increasing number of state and county employees becoming
4 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 The legislature understands that with the low unemployment
9 rate the State is now experiencing, state and county governments
10 have more vacancies occurring with a dwindling number of
11 qualified applicants. The state and counties have many jobs
12 categorized as hard-to-fill, or as being in a labor-shortage
13 category.

14 In 2008, an estimated 12.84 per cent of county public
15 employees are eligible to retire and by 2012, the figure is
16 anticipated to rise to 25.12 per cent. As the baby boomers
17 begin to retire, vacancies in government employment will
18 continue to increase.



1 While retired state and county employees are now permitted
2 to work for temporary periods of eighty-nine consecutive days or
3 for less than twenty hours per week without jeopardizing their
4 retirement benefits, there is no reason not to afford the state
5 and county governments the ability to hire state and county
6 government retirees regardless of the length of time or number
7 of hours employed, especially since they will otherwise work for
8 the private sector.

9 This Act will address the employment vacancy issue by
10 allowing state and county employers to recruit from the same
11 group of qualified applicants as private employers and put
12 government employers on an equal footing with private sector
13 employers in hiring state and county retirees.

14 The legislature intends that the manner in which civil
15 service and exempt positions are filled by retired state or
16 county employees and the manner in which the employed-retiree's
17 status is determined, shall be in accordance with normal
18 processes for recruiting and selecting applicants for these
19 positions. The legislature understands that for civil service
20 positions, this process will provide due consideration to
21 promotional opportunities for existing employees. Further, the
22 legislature intends that the collective bargaining status of



1 these employed-retirees will be determined in accordance with
2 existing laws governing assignment to, and inclusion or non-
3 inclusion in, a bargaining unit.

4 The legislature believes this Act will strike a balance
5 between the state and county government's need to hire skilled
6 and qualified employees and retired state and county government
7 employees' desire to work for state and county governments.
8 This Act will allow retired state and county government
9 employees to work for state and county governments without
10 incurring any negative retirement consequences, such as the
11 forfeiture of retirement benefits already earned and being
12 collected by employees.

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

16 "§88- Re-employment of retirants. (a) Appointing
17 authorities in a county may employ retired state or county
18 government employees who are receiving retirement benefits under
19 this chapter.

20 (b) The director of human resources of the appropriate
21 state jurisdiction may employ retired state or county government
22 employees who are receiving retirement benefits under this



1 chapter to fill labor shortage and difficult-to-fill exempt or
2 civil service positions.

3 (c) Retired state or county government employees shall
4 only be eligible for full-time employment with a state or county
5 government after one calendar year of retirement.

6 (d) Re-employment agreements shall not be entered into
7 between the state or county and an employee prior to the
8 retirement of the employee.

9 (e) Retired state or county government employees rehired
10 for civil service positions shall be recruited, selected, and
11 employed pursuant to applicable civil service and employment
12 laws.

13 (f) The director of human resources of the appropriate
14 state jurisdiction in which a retired state or county government
15 employee is hired or the human resources management chief
16 executive of the respective county in which a retired state or
17 county government employee is hired by that county shall certify
18 the hiring of the retirant as having been done pursuant to
19 applicable civil service and employment laws.

20 (g) Sections 88-21, 88-42.5, 88-43, 88-45, 88-46, 88-98,
21 88-273, 88-326, and 88-344, and any other law to the contrary
22 notwithstanding, retired state or county government employees



1 who are hired by the state or any of the counties shall not earn
2 retirement service credit, contribute to the retirement system,
3 or gain additional retirement system benefits as a result of
4 their subsequent employment with the state or a county and the
5 retired state or county government employee shall continue to
6 receive the retirant's retirement benefits and health benefits
7 without penalty. Each employer shall make employer
8 contributions to the pension accumulation fund in accordance
9 with section 88-122(e).

10 (h) A retired state or county government employee, who is
11 hired by the state or county under this section shall join the
12 appropriate bargaining unit if hired in a position covered by
13 collective bargaining.

14 (i) This section shall not preclude a retired state or
15 county government employee from returning to work and
16 relinquishing the person's retirement benefits to earn
17 additional service credits and gain additional retirement
18 benefits for a future retirement date as may be allowed by this
19 chapter.

20 (j) The director of human resources of the appropriate
21 state jurisdiction shall submit an annual report detailing the
22 employment of retirants, including the number and positions of



1 retired employees hired under this section prior to each
2 legislative session

3 (k) For purposes of this section:

4 "One calendar year" means twelve consecutive months from
5 the date of the employee's retirement to the date of the
6 employee's re-employment under this Act.

7 "State jurisdiction" means the department of education, the
8 judiciary, the Hawaii health systems corporation, the office of
9 Hawaiian affairs, the state executive branch, and the
10 legislative branch of state government.

11 "State executive branch" means all the departments of the
12 executive branch of state government, except the University of
13 Hawaii, the Hawaii health systems corporation, and the
14 department of education."

15 SECTION 3. New statutory material is underscored.

16 SECTION 4. This Act shall take effect on July 1, 2008 and
17 shall be repealed on June 30, 2013.



Report Title:

Public Employees; Re-Employment of Retirees

Description:

Allows a county to hire retired state or county government employees without restriction as to length of employment or number of hours worked per week. Requires a one-year waiting period. Requires employers to continue to make retirement contributions. Prohibits re-employment agreement prior to retirement. Sunsets on June 30, 2013. (HB2710 HD1)

