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# 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 89 consecutive days or for less  
3 than 20 hours per week without jeopardizing their retirement  
4 benefits, there is no reason not to afford the state and county  
5 governments the ability to hire state and county government  
6 retirees regardless of the length of time or number of hours  
7 employed, especially since they will otherwise work for the  
8 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 adverse 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 or the State may employ retired state or  
18 county government employees who are receiving retirement  
19 benefits under this chapter.

20 (b) The director of human resources of the appropriate  
21 state jurisdiction or the human resources management chief  
22 executive of a county may employ retired state or county



1 government employees who are receiving retirement benefits under  
2 this chapter to fill labor shortage and difficult-to-fill exempt  
3 or civil service positions.

4 (c) Retired state or county government employees shall  
5 only be eligible for a position of at least one-half of a full-  
6 time equivalent with a state or county government after one  
7 calendar year of retirement.

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

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

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



1       (g) Sections 88-21, 88-42.5, 88-43, 88-45, 88-46, 88-98,  
2 88-273, 88-326, and 88-344, and any other law to the contrary  
3 notwithstanding, retired state or county government employees  
4 who are hired by the State or any of the counties shall not earn  
5 retirement service credit, contribute to the retirement system,  
6 or gain additional retirement system benefits as a result of  
7 their subsequent employment with the State or a county, and the  
8 retired state or county government employee shall continue to  
9 receive the retirant's retirement benefits and health benefits  
10 without penalty. Each employer shall contribute to the pension  
11 accumulation fund the required percentage of the rehired  
12 employee's compensation to amortize the system's unfunded  
13 actuarial accrued liability.

14       (h) A retired state or county government employee who is  
15 hired by the State or county under this section shall join the  
16 appropriate bargaining unit if hired in a position covered by  
17 collective bargaining.

18       (i) This section shall not preclude a retired state or  
19 county government employee from returning to work and  
20 relinquishing the person's retirement benefits to earn  
21 additional service credits and gain additional retirement



1 benefits for a future retirement date as may be allowed by this  
2 chapter.

3 (j) The director of human resources of the appropriate  
4 state jurisdiction or the human resources management chief  
5 executive of a county shall submit an annual report detailing  
6 the employment of retirants, including the number and positions  
7 of retired employees hired under this section prior to each  
8 legislative session.

9 (k) For purposes of this section:

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

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

17 "State jurisdiction" means the department of education, the  
18 judiciary, the Hawaii health systems corporation, the office of  
19 Hawaiian affairs, the executive branch of the State, and the  
20 legislative branch of the State."

21 SECTION 3. New statutory material is underscored.



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



**Report Title:**

Public Employees; Re-Employment of Retirees

**Description:**

Allows the state and county governments to hire retired state or county government employees if the employer abides by certain conditions: requires a one-year waiting period before rehiring, prohibits re-employment agreements prior to retirement, requires rehiring for civil service positions according to civil service and employment laws and the certification of such, requires employers to continue to make retirement contributions, and requires rehired employee to join collective bargaining unit if applicable. Requires annual report. Sunsets on June 30, 2013.  
(HB2710 HD2)

