

JAN 22 2007

A BILL FOR AN ACT

RELATING TO REHIRING OF GOVERNMENT RETIREES.

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

1 SECTION 1. The legislature recognizes that the changing
2 demographics of the workforce will create new challenges for all
3 employers. The workforce as a whole is aging and large numbers
4 of workers will be retiring from their chosen careers. This
5 will create an increasing demand for new workers and at the same
6 time the labor pool will continue to shrink. In this
7 environment, retirees have become a more important source of
8 labor to fill needed jobs.

9 The State and counties as employers are facing the same
10 challenges as other employers in trying to fill vacancies.
11 However, the legislature recognizes that the State and counties
12 remain at a distinct disadvantage when competing with other
13 employers for knowledgeable and skilled retirees because that
14 state law prohibits State or county retirees returning to
15 government service (in other than temporary or less than half-
16 time jobs) from receiving retirement benefits while working.
17 State and county retirees who accept jobs with the private
18 sector or the federal government are not similarly penalized.



1 The legislature understands that the restrictions on
2 rehiring state and county retirees made sense at a time of high
3 unemployment when such hiring practices were viewed in a very
4 negative light by those desiring government jobs. However, the
5 legislature recognizes the need for a new strategy in light of
6 the record low unemployment in the State. This strategy will
7 help to ensure that government jobs and in particular, jobs in
8 critical areas do not go unfilled.

9 The legislature believes this Act is a proactive measure
10 that must be taken now to help the state and county governments
11 deal with a potential labor crisis in the coming years. The
12 measure also recognizes our dependable and skilled state and
13 county employees whose contributions to the State can continue
14 even after their retirement. This Act will allow retired state
15 and county government employees to again work for the State or
16 county governments without incurring any negative retirement
17 consequences, such as the forfeiture of retirement benefits
18 already earned.

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



1 "§88- Reemployment of state and county retirees. (a)
2 Appointing authorities in the state and county governments may
3 employ a retired state or county government employee who is
4 receiving retirement benefits under this chapter. If the
5 position is a civil service position, a retiree subject to this
6 section shall be recruited and selected for the position
7 following civil service procedures. The human resources
8 director of the appropriate jurisdiction, shall certify that the
9 retiree was hired in accordance with applicable civil service
10 laws.

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

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

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

20 (c) This section shall not preclude a retiree from
21 returning to work and relinquishing the employee's retirement
22 benefits to earn additional service credit and gain additional



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

3 (d) For the purposes of this section:

4 "Human resources director" means the state director of
5 human resources development, the director of human resources of
6 the judiciary, or the respective chief human resources
7 management executive of each county, as the case may be.

8 "Retired state or county employee" means any former
9 employee of the state or county governments who is classified by
10 the system as a retirant.

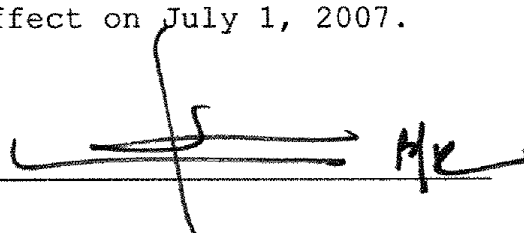
11 "State or county governments" means the State, including
12 any of its branches and the counties of Hawaii, Kauai, Maui, and
13 the city and county of Honolulu."

14 SECTION 3. New statutory material is underscored.

15 SECTION 4. This Act shall take effect on July 1, 2007.

16

INTRODUCED BY:

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Report Title:

Government Retirees

Description:

Authorizes the State and the counties to rehire government retirees and allow retirees to collect pension benefits while working.

