
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. As received by the Committee, the purpose of
2 this Act is to allow state and county governments to rehire
3 retired employees as permanent workers in critical-to-fill or
4 labor shortage positions, without the retirees incurring any
5 negative impact on their normal retirement benefits.

6 Since hearing this Act, the following facts were brought to
7 our attention. As of September 30, 2006, an estimated 10% of
8 our state public employees are eligible to retire and by fiscal
9 year 2011 the figure is anticipated to rise to 26%. As the
10 "Baby Boomers" begin to retire, the vacancies will continue to
11 increase. It is estimated that by the year 2011, one out of
12 every four residents in our State will be over 65 years old.

13 Based on these statistics, it is imperative that our State
14 and county governments address this vacancy issue. Therefore,
15 it is the intent of the Legislature that this measure is a
16 temporary stop-gap measure to allow the State and county



1 governments to develop plans to address filling these vacancies
2 by Hawai'i's youth.

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

6 **"§88- Re-employment of state and county retirants. (a)**
7 Appointing authorities in the state and the various counties may
8 employ a retired state or county employee, who is receiving
9 retirement benefits under this chapter, as designated by the
10 human resources director of the appropriate jurisdictions. Each
11 jurisdiction shall make employer contributions on the rehired
12 employee's compensation to the pension accumulation fund in
13 accordance with Section 88-122(e). If the position is a civil
14 service position, then a retirant subject to this section shall
15 be recruited and selected for the position following civil
16 service procedures. To qualify for full-time employment, the
17 retirant shall have been retired from a State or county position
18 for at least five consecutive calendar years from the employee's
19 date of retirement. The human resources director of the
20 appropriate jurisdiction, shall certify that the retiree was
21 hired in accordance with applicable civil service laws and as
22 provided herein.



1 (b) Sections 88-21, 88-42.5, 88-43, 88-45, 88-46, 88-98,
2 88-273, 88-235, 88-326. and 88-344, and any other law to the
3 contrary notwithstanding, a retired state or county employee who
4 is hired by the state or a county under this section:

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

9 (2) Shall continue to receive the employee's normal
10 retirement benefits without penalty and medical
11 retirement benefits; and

12 (3) Shall join the collective bargaining unit of any
13 included position.

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

19 (d) For the purposes of this section:

20 "Jurisdiction" means the city and county of Honolulu, the
21 county of Hawai'i, the county of Maui, the county of Kaua'i, the
22 department of education, the judiciary, the Hawai'i health



1 systems corporation, the office of Hawaiian affairs, state
2 executive branch, and the legislative branches of the State and
3 county governments.

4 "State executive branch" means all the departments of the
5 State executive branch of government except the university of
6 Hawai'i, the Hawai'i health systems corporation and the
7 department of education."

8 SECTION 3. Each jurisdiction utilizing the provisions in
9 Section 2 of this Act shall report annually to the legislature
10 no later than twenty days prior to the convening of the
11 legislature on the number of positions filled pursuant to this
12 Act to include, but not be limited to, job title, salary and the
13 length of time each retirant was hired and other pertinent
14 information.

15 SECTION 4. ←New statutory material is underscored.

16 SECTION 5. This Act shall take effect on July 1, 2007 and
17 shall be repealed on June 30, 2012.

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Report Title:

State and County Retirees; Re-employment

Description:

Authorizes the rehiring of retired state or county employees in critical-to-fill or labor shortage positions without affecting the receipt of retirement benefits and without accruing additional credit or benefits.

