

JAN 18 2008

A BILL FOR AN ACT

RELATING TO THE RE-EMPLOYMENT OF RETIREES BY THE STATE OR
COUNTIES.

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

16 Myths associated with older workers have been found to be
17 just myths. Older workers do not get into more on-the-job



1 accidents than other workers, they do not have higher rates of
2 absenteeism, and their job performance does not decrease with
3 age.

4 The legislature understands that with the low unemployment
5 the State is now experiencing, state and county governments have
6 more vacancies occurring with a dwindling number of qualified
7 applicants. These government entities, especially the state,
8 have many jobs categorized as hard-to-fill, or as being in a
9 labor-shortage category.

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



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

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

13 "§88- Re-employment of state and county retirees. (a)
14 Appointing authorities in the state and county governments may
15 employ a retired state or county public employee who is
16 receiving retirement benefits under this chapter in any civil
17 service or exempt position. Each jurisdiction shall make
18 employer contributions for the rehired employee to the pension
19 accumulation fund in accordance with section 88-122(e). A
20 rehired employee shall not be required to contribute to the
21 pension accumulation fund. If the position to be filled with a
22 rehired employee is a civil service position, civil service



1 procedures shall be followed in recruiting and selecting any
2 retirant for the position. However, to qualify for full-time
3 employment, a retirant shall have been retired from a state or
4 county public employee position for at least six months from the
5 employee's date of retirement. The chief human resources
6 executive of the appropriate jurisdiction shall certify that any
7 retirant hired under this section has, in fact, been hired in
8 accordance with applicable civil service laws and this section.

9 (b) Notwithstanding sections 88-21, 88-42.5, 88-43, 88-45,
10 88-46, 88-98, 88-273, 88-326, 88-344, and any other contrary
11 law, a retired state or county public employee who is hired by
12 the state or county under this section:

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

17 (2) Shall continue to receive the normal retirement
18 benefits and medical retirement benefits without
19 penalty.

20 (c) This section shall not preclude a retirant from
21 returning to work and relinquishing the retirant'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 "Jurisdiction" means the city and county of Honolulu; the
5 counties of Hawaii, Maui, and Kauai; the department of
6 education; the judiciary; the Hawaii health systems corporation;
7 the office of Hawaiian affairs; the state executive branch; and
8 the legislative branches of the state and county governments.

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

13 SECTION 3. Each jurisdiction, using the provisions of
14 section 2 of this Act, shall report annually to the legislature
15 no later than twenty days prior to the convening of each regular
16 session of the legislature on the number of positions filled
17 pursuant to this Act. The report shall include but not be
18 limited to job title, salary, and the length of time each
19 retirant was hired and other pertinent information.

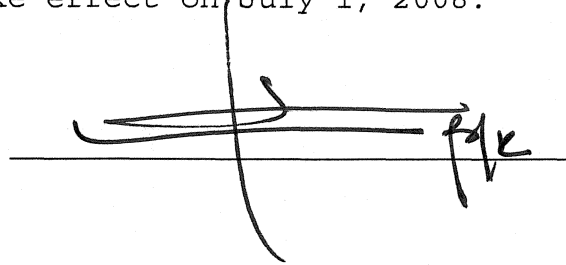
20 SECTION 4. New statutory material is underscored.



1 SECTION 5. This Act shall take effect on July 1, 2008.

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INTRODUCED BY:

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Report Title:

Hawaii County Package; Re-employment of Retirees

Description:

Allows the state and county governments to hire retired state or county public employees that are currently receiving public sector pension or retirement benefits.

