
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, county governments have more
10 vacancies occurring with a dwindling number of qualified
11 applicants. The counties have many jobs categorized as hard-to-
12 fill, or as being in a labor-shortage category.

13 In 2008, an estimated 12.84 per cent of county public
14 employees are eligible to retire and by 2012, the figure is
15 anticipated to rise to 25.12 per cent. As the baby boomers
16 begin to retire, vacancies in government employment will
17 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 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 county employers to recruit from the same group of
11 qualified applicants as private employers and put county
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 county civil
20 service positions, this process will provide due consideration
21 to promotional opportunities for existing employees. To ensure
22 the continued provision of public services, the legislature



1 supports the immediate rehiring of government retirees.
2 Further, the legislature intends that the collective bargaining
3 status of these employed-retirees will be determined in
4 accordance with existing laws governing assignment to, and
5 inclusion or non-inclusion in, a bargaining unit.

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

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

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

21 (b) In order to qualify for full-time rehiring under this
22 section, the retired state or county government employee shall



1 have been retired for at least one calendar year prior to
2 reemployment.

3 (c) Retired state or county government employees may be
4 rehired under this section for labor shortage positions and for
5 other positions that are deemed by the human resources
6 management chief executive to be critical-to-fill.

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

11 (e) The appointing authority and the retired state or
12 county government employee who is rehired shall certify that no
13 agreement to rehire the employee was made prior to the
14 employee's retirement.

15 (f) The human resources management chief executive of the
16 respective county in which a retired state or county government
17 employee is hired by that county shall certify the hiring of the
18 retiree as having been done pursuant to applicable civil service
19 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 any of the counties shall not earn retirement
2 service credit, contribute to the retirement system, or gain
3 additional retirement system benefits as a result of their
4 subsequent employment with a county and the retired state or
5 county government employee shall continue to receive the
6 retiree's retirement benefits and medical benefits without
7 penalty.

8 (h) This section shall not preclude a retired state or
9 county government employee from returning to work and
10 relinquishing the person's retirement benefits to earn
11 additional service credits and gain additional retirement
12 benefits for a future retirement date as may be allowed by this
13 chapter.

14 (i) County employers shall contribute to the pension
15 accumulation fund the required percentage of the rehired
16 employee's compensation to amortize the system's unfunded
17 actuarial accrued liability."

18 SECTION 3. New statutory material is underscored.

19 SECTION 4. This Act shall take effect on July 1, 2080.



Report Title:

Public Employees; Re-Employment of Retirees by Counties

Description:

Allows a county to hire state or county government employees retired at least a year for labor shortage or critical to fill positions. Requires county employers to pay employer contributions. (SB2710 SD1)

