
A BILL FOR AN ACT

RELATING TO PUBLIC EMPLOYEES.

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

1 SECTION 1. Section 78-23, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§78-23 Leaves of absence.** (a) Employees shall be
4 eligible for vacation leave, sick leave, and other leaves of
5 absence, with or without pay, as negotiated under chapter 89 or
6 adjusted under chapter 89C, as applicable.

7 (b) When an employee, including any managerial employee of
8 an executive department of the State who is exempt from chapter
9 76 and any managerial employee of the legislative branch of the
10 State who is exempt from chapter 76, is transferred from one
11 department to another within the same jurisdiction or to another
12 jurisdiction within the State, the employee shall be given
13 credit for the vacation earned or accumulated in the department
14 from which the employee transferred, and the director of finance
15 of the State or the equivalent officers of the several
16 jurisdictions shall make the appropriate transfer of funds to
17 implement the employee transfer. Moneys received from ~~any~~

1 ~~such~~ the transfer of funds by a state agency financed by the
2 general fund of the State shall be deposited with the director
3 of finance of the State to the credit of the general fund of the
4 State; provided that, when an employee is transferred from one
5 department to another within the same jurisdiction, the transfer
6 of funds shall not be made if the employee's salary is paid from
7 the same fund. Compensation for any period of vacation
8 allowance shall be paid at the rate to which the employee is
9 entitled at the time the allowance is granted.

10 (c) ~~Upon~~ Except as provided in subsection (f), upon
11 discharge, an employee shall be entitled to all of the
12 employee's accumulated vacation allowance plus the employee's
13 current accrued vacation allowance to and including the date of
14 discharge, notwithstanding that the current accrued vacation
15 allowance may not have been recorded at the time. If any
16 employee, including any managerial employee of an executive
17 department of the State who is exempt from chapter 76 and any
18 managerial employee of the legislative branch of the State who
19 is exempt from chapter 76, dies with accumulated or current
20 accrued vacation earned but not taken, an amount equal to the
21 value of the employee's pay over the period of ~~such~~ the earned
22 vacation, and any earned and unpaid wages, shall be paid to the

1 person or persons who may have been designated as the
2 beneficiary or beneficiaries by the employee during the
3 employee's lifetime in a verified written statement filed with
4 the comptroller or other disbursing officer who issues warrants
5 or checks to pay the employee for the employee's services as a
6 public employee, or, failing the designation, to the employee's
7 estate.

8 (d) [~~Whenever~~] Except as provided in subsection (f),
9 whenever an employee is to be discharged, voluntarily or
10 involuntarily, the employee, at the option of the appointing
11 authority, may be discharged and paid forthwith, in lieu of the
12 employee's vacation allowance, the amount of compensation to
13 which the employee would be entitled or which the employee would
14 be allowed during the vacation period if the employee were
15 permitted to take the employee's vacation in the normal manner,
16 and in [~~such~~] that case the employee's position may be declared
17 vacant and may be permanently filled by a new appointee before
18 the expiration of any vacation period following the date of the
19 discharge. For an employee hired after June 30, 1997, who is to
20 be discharged, voluntarily or involuntarily, the amount of
21 compensation to be paid in lieu of vacation allowance under this
22 section shall be computed using the rate of pay and amount of

1 accumulated and accrued vacation on the date the employee is
2 discharged. [~~Prompt~~] The department head shall give employees
3 prompt notice [upon such forms and in such manner as may be
4 required shall be given by the department head] of any action
5 taken under this provision.

6 (e) Payments of vacation allowance paid pursuant to
7 subsections (c) or (d) shall be subject to the provisions of
8 chapter 88D.

9 (f) Upon voluntary or involuntary discharge from the
10 State, a managerial employee of an executive department of the
11 State who is exempt from chapter 76 or a managerial employee of
12 the legislative branch of the State who is exempt from chapter
13 76 shall not be entitled to compensation in lieu of the
14 employee's accumulated vacation allowance or the employee's
15 current accrued vacation allowance to and including the date of
16 discharge; rather, beginning July 1, 2009, the employee shall:

17 (1) Use, prior to discharge, accumulated vacation
18 allowance and current accrued vacation allowance to
19 and including the date of discharge;

20 (2) Donate, prior to discharge, accumulated vacation
21 allowance through a leave sharing program pursuant to
22 section 78-26; or

1 (3) Forfeit accumulated vacation allowance and current
2 accrued vacation allowance to and including the date
3 of discharge that is not used or not donated in
4 accordance with paragraphs (1) and (2). An amount
5 equivalent to the compensation that would have been
6 paid to the employee upon discharge prior to enactment
7 of this section shall be deposited with the director
8 of finance of the State to the credit of the
9 department that employed the employee immediately
10 prior to discharge.

11 If a managerial employee of an executive department of the
12 State who is exempt from chapter 76 or a managerial employee of
13 the legislative branch of the State who is exempt from chapter
14 76 is voluntarily or involuntarily discharged, the employee
15 shall not be entitled to reemployment by the same department
16 that employed the employee immediately prior to discharge."

17 SECTION 2. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 3. This Act shall take effect on July 1, 2050.

Report Title:

Vacation Allowance; Exempt State Managerial Executive Department Employees; Exempt State Managerial Legislative Branch Employees

Description:

Requires state managerial executive department and state managerial legislative branch employees who are exempt from chapter 76, HRS (civil service law) to use or donate accumulated and accrued vacation allowance prior to discharge, or to forfeit remaining vacation allowance and any compensation in lieu of retaining vacation allowance upon discharge. (SD1)