

Honolulu, Hawaii

February 18, 2016

RE: H.B. No. 2446
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 2446 entitled:

"A BILL FOR AN ACT RELATING TO SEPARATION BENEFITS,"

begs leave to report as follows:

The purpose of this measure is to provide options to assist public employees who may be displaced through the privatization or closure of a state or county facility and to reduce the need for layoffs. Specifically, this measure authorizes public employers to offer a voluntary severance or special retirement benefit to employees who elect to separate from service when their positions are identified for abolishment, reduction-in-force, or workforce restructuring.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, the United Public Workers, AFSCME Local 626, AFL-CIO, and several individuals testified in support. The Department of Budget and Finance testified in opposition. The Employees' Retirement System provided comments.

Your Committee has amended this measure by:

- (1) Defining "vested member" as a member of the State Employees' Retirement System who has sufficient credited service to be eligible to receive the service retirement benefit;



- (2) Specifically offering voluntary severance in lieu of exercising any reduction-in-force rights to employees affected by the privatization of services within the Maui regional system;
- (3) Removing the credited service criteria for the special retirement benefit and replacing it with the requirement that the employee is within five years of the employee's qualified retirement age;
- (4) Removing the exception to the requirement that employees who return to public service within two years must repay the voluntary severance benefit or special retirement benefit to the public employer or the Employees' Retirement System; and
- (5) Requiring that any employee who received a special retirement benefit and returns to work shall meet the age and service requirements in effect when the individual first entered state employment.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2446, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2446, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,



MARK M. NAKASHIMA, Chair



