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## A BILL FOR AN ACT

RELATING TO SEPARATION BENEFITS.

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

1           SECTION 1. Section 89E-2, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           "(a) Any employee entitled to reduction-in-force rights  
4 under chapter 89 and who receives official notification that the  
5 employee's position is being abolished or who is directly  
6 affected by a reduction-in-force or workforce restructuring  
7 plan, including privatization, may elect to receive a voluntary  
8 severance benefit provided under this section in lieu of  
9 exercising any reduction-in-force rights under chapter 89 [~~and~~  
10 ~~in lieu of receiving any special retirement benefit under~~  
11 ~~section 89E-3.]; provided that, if the employee qualifies for  
12 and elects to receive the special requirement benefit under  
13 section 89E-3, the voluntary severance benefits provided in this  
14 section shall not be optional and shall be provided to the  
15 employee."~~

16           SECTION 2. Section 89E-3, Hawaii Revised Statutes, is  
17 amended as follows:



1           1. By amending subsection (a) to read:

2           "(a) Notwithstanding section 88-99 or any other law to the  
3 contrary, the employees' retirement system may provide,  
4 regardless of whether the actuarial value of the system's assets  
5 is one hundred per cent of the system's actuarial accrued  
6 liability, the benefits authorized under this section. Any  
7 employee who receives official notification that the employee's  
8 position is being abolished or who is directly affected by a  
9 reduction-in-force or workforce restructuring plan, including  
10 privatization, proposed by an agency may elect, if the employee  
11 is eligible to receive benefits from the employees' retirement  
12 system and meets any of the criteria specified in subsection  
13 (c), the special retirement benefit provided by this section in  
14 lieu of exercising any reduction-in-force rights under chapter  
15 89 [~~and in lieu of receiving any severance benefits under~~  
16 ~~section 89E-2.~~]; provided that, if the employee qualifies for  
17 and elects to receive the voluntary severance benefit under  
18 section 89E-2, the special retirement benefit provided by this  
19 section shall not be optional and shall be provided to the  
20 employee. To receive the special retirement benefit offered  
21 under this section, the employee shall comply with the



1 application and time frame requirements specified in subsection  
2 (b)."

3 2. By amending subsection (e) to read:

4 "(e) The head of the agency shall transmit a list of  
5 employees who elected and received the special retirement  
6 benefit to the board of trustees of the employees' retirement  
7 system not less than thirty days but not more than one hundred  
8 fifty days prior to the employee's retirement date. The head of  
9 the agency shall certify that the employees on the list have in  
10 fact selected the special retirement benefit in lieu of  
11 ~~[receiving the severance benefit under section 89E-2 and]~~  
12 exercising any reduction-in-force rights under chapter 89."

13 SECTION 3. Section 89E-5, Hawaii Revised Statutes, is  
14 amended to read as follows:

15 "[~~+~~]**§89E-5**[~~+~~] **Reemployment.** Any employee who has received  
16 ~~[either]~~ a severance benefit ~~[or]~~ and a special retirement  
17 benefit under this chapter and returns to public service within  
18 two years as an employee or contractor shall repay the severance  
19 benefit ~~[or]~~ and the special retirement benefit to the State  
20 ~~[or]~~ and the employees' retirement system, ~~[as the case may be,~~



1 respectively, within thirty days of reemployment with a public  
2 employer."

3 SECTION 4. Section 89E-7, Hawaii Revised Statutes, is  
4 amended to read as follows:

5 "[+]§89E-7[+] **Reporting requirements; reduction in**  
6 **personnel counts.** The head of the agency that provided benefits  
7 under this chapter shall:

- 8 (1) Transmit a report of every position identified for  
9 abolishment and vacated under this chapter to the  
10 directors of finance and human resources development,  
11 who shall abolish these positions from the appropriate  
12 budget and personnel files. The governor shall report  
13 this information to the legislature no later than  
14 twenty days prior to the convening of each regular  
15 session beginning with the regular session of 2017;
- 16 (2) Reduce its personnel count by every position  
17 identified for abolishment and vacated under this  
18 chapter, whether the former incumbent vacated the  
19 position as a result of accepting a severance benefit  
20 [~~or~~] and a special retirement benefit authorized under



1 this chapter or of exercising reduction-in-force  
2 rights; and

3 (3) Transmit a list that includes each employee who  
4 received benefits under this chapter and the benefit  
5 received by the employee to the directors of finance  
6 and human resources development."

7 SECTION 5. Section 89E-10, Hawaii Revised Statutes, is  
8 amended to read as follows:


9 "[+]§89E-10[+] **Review by employee.** Employees offered a  
10 severance benefit [e] and a special retirement benefit shall be  
11 given sufficient time to make an informed decision from the date  
12 of receiving accurate and complete information about the offer."

13 SECTION 6. This Act does not affect rights and duties that  
14 matured, penalties that were incurred, and proceedings that were  
15 begun before its effective date.

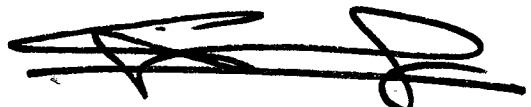
16 SECTION 7. Statutory material to be repealed is bracketed  
17 and stricken. New statutory material is underscored.

18 SECTION 8. This Act shall take effect on July 1, 2017.  
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INTRODUCED BY: 

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# H.B. NO. 233

**Report Title:**

Separation Benefits; Voluntary Severance Benefit; Special Retirement Benefit

**Description:**

Amends Act 1, SSLH 2016, as codified, to offer employees the choice of receiving both a voluntary severance benefit and a special retirement benefit or exercising a reduction-in-force right.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

