

ACT 28

A Bill for an Act Relating to Salary Reimbursement of Public Officers and Employees and Amending Section 3-19 (h) (3) of the Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of Section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting urgency:

An employee who has performed one year of satisfactory service is entitled to receive an annual salary increment if it is available within his salary range.

While an employee's position is under study for reallocation and the employee properly receives an increment he may be later found not to be eligible for the salary increment during such interim period in the event his position is reallocated downward.

Through no fault of his own the employee is therefore required to make reimbursement of the salary increment differential he received during the reallocation study period.

In the past, two City and County employees were required to reimburse the City. At the moment two cases are pending. It is anticipated that additional cases will arise in the immediate future pending the outcome of reallocation studies.

The present situation places a financial hardship on certain employees and has a considerable effect on their morale.

SECTION 2. Section 3-19 (h) (3), Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

“(3) Reallocate positions to recognize material changes in duties and responsibilities or to correct a previous action. Reallocations shall be made effective retroactively to the beginning of the pay period immediately following the date the application for reclassification was filed with the director; provided, however, that an employee who is otherwise properly compensated shall not be required to make reimbursement of overpayment in salary when such overpayment is due to salary increments or re-pricing actions nullified by the retroactive feature of a classification action; and provided, further, that the proper salary adjustment shall be made as of the first pay period following the action taken by the director.”

SECTION 3. As a consequence of a reallocation action downgrading a position taken, prior to the effective date of this Act, any officer or employee in the service who refunded any portion of his compensation to the State, or any political subdivision thereof, shall be reimbursed the amount that was refunded, and any officer or employee who would otherwise have been required to refund a portion of his compensation but who has not done so prior to the effective date of this Act shall not be required to make any such refund.

SECTION 4. This Act shall take effect upon its approval.

(Approved April 21, 1964.) **H.B. 507.**
