

Honolulu, Hawaii

Feb 15, 2008

RE: H.B. No. 2710  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 2710 entitled:

"A BILL FOR AN ACT RELATING TO THE RE-EMPLOYMENT OF  
RETIREEES,"

begs leave to report as follows:

The purpose of this bill is to assist the county governments in meeting their workforce needs by allowing a county to hire retired state or county government employees without restriction as to the length of employment or number of hours worked per week.

The Mayor of the County of Hawaii, Mayor of the County of Kauai, Hawaii Council of Mayors, Department of Human Resources of the City and County of Honolulu, Department of Human Resources of the County of Hawaii, Department of Personnel Services of the County of Maui, and Honolulu Fire Department supported this bill. The Hawaii Government Employees Association and Hawaii Fire Fighters Association supported the intent of this measure. The Department of Human Resources Development (DHRD) and Employees Retirement System (ERS) commented on this bill.

Low unemployment, along with retirement, has made it difficult for the counties to meet their workforce demands. With an aging baby boomer generation expected to lead to increasing numbers of employees retiring, this problem is only expected to worsen. Allowing counties to re-hire retirees to work in government will not only help to resolve this problem until



workforce numbers increase but will also allow for experienced individuals to pass on their knowledge and skills to newly hired personnel.

However, your Committee notes that a number of concerns were raised regarding this measure. DHRD stated that this is not only a county problem and that the state is also experiencing workforce shortages, especially in difficult-to-fill positions. The ERS also had several concerns with this measure, including the necessity for employers to continue to make retirement contributions and the incorporation of a one-year waiting period prior to the rehiring of an employee to prevent perceived "double dipping" by a retiree who would be receiving a salary and retirement benefits under this measure.

Accordingly, your Committee has amended this bill by:

- (1) Authorizing the director of human resources of the appropriate state jurisdiction to employ retired state or county government employees to fill labor shortage and difficult-to-fill exempt or civil service positions;
- (2) Requiring that retired state or county government employees only be eligible for full-time employment with a state or county government after being retired for one calendar year;
- (3) Prohibiting re-employment agreements from being entered into between the state or county and an employee prior to the retirement of the employee;
- (4) Requiring the director of human resources of the appropriate state jurisdiction in which a retired state or county government employee is hired to certify the hiring of the retirant was done pursuant to applicable civil service and employment laws;
- (5) Requiring each employer to make employer contributions to the pension accumulation fund;
- (6) Requiring a re-hired retired state or county employee to join the appropriate bargaining unit if hired in a position covered by collective bargaining;



- (7) Requiring the director of human resources of the appropriate state jurisdiction to submit an annual report detailing the employment of retirants;
- (8) Inserting definitions for "One calendar year", "State jurisdiction", and "State executive branch";
- (9) Inserting a repeal date of June 30, 2013; and
- (10) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 2710, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2710, H.D. 1, and be referred to the Committee on Finance.

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

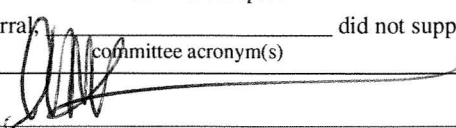


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ALEX M. SONSON, Chair



Record of Votes of the Committee on Labor & Public Employment

| Bill/Resolution No.:<br>HB 2710  | Committee Referral:<br>LAB, FIN | Date:<br>6/2/08 |      |         |
|--|---------------------------------|-----------------|------|---------|
| <input type="checkbox"/> The committee is reconsidering its previous decision on the measure.  |                                 |                 |      |         |
| The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit) |                                 |                 |      |         |
| LAB Members  | Ayes                            | Ayes (WR)       | Nays | Excused |
| 1. SONSON, Alex M. (C)   | Y                               |                 |      |         |
| 2. NAKASONE, Bob (VC)  |                                 |                 |      | X       |
| 3. EVANS, Cindy  | Y                               |                 |      |         |
| 4. HAR, Sharon E.  | X                               |                 |      |         |
| 5. LEE, Marilyn B.   | Y                               |                 |      |         |
| 6. LUKE, Sylvia  | Y                               |                 |      |         |
| 7. McKELVEY, Angus L.K.  | X                               |                 |      |         |
| 8. NISHIMOTO, Scott Y.   | Y                               |                 |      |         |
| 9. SOUKI, Joseph M.  | X                               |                 |      |         |
| 10. TAKAMINE, Dwight Y.  | X                               |                 |      |         |
| 11. TAKUMI, Roy M.   | X                               |                 |      |         |
| 12. MEYER, Colleen Rose  | Y                               |                 |      |         |
| 13. PINE, Kymberly Marcos  | X                               |                 |      |         |
| TOTAL (13)   | 12                              | 0               | 0    | 1       |
| The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted  |                                 |                 |      |         |
| If joint referral _____ did not support recommendation.<br>_____ committee acronym(s)  |                                 |                 |      |         |
| Vice Chair's or designee's signature:    |                                 |                 |      |         |
| Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office   |                                 |                 |      |         |