STAND. COM. REP. NO. 1466

Honolulu, Hawaii

2007

S.B. No. 1950 RE:

> S.D. 2 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred S.B. No. 1950, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this bill is to ensure that the state and county governments are able to maintain a qualified, stable, and experienced workforce in the face of unprecedented low unemployment and an aging workforce. Specifically, this bill authorizes the rehiring of state or county employees who have retired, without affecting the receipt of their retirement benefits and without accruing additional credit or benefits.

The Judiciary, Mayor of the County of Hawaii, Department of Education, Honolulu Police Department, Hawaii State Teachers Association, State of Hawaii Organization of Police Officers, and Office of Hawaiian Affairs testified in support of this bill. Department of Human Resources Development, Department of Human Resources of the City and County of Honolulu, Department of Personnel Services of the County of Maui, and Department of Human Resources of the County of Hawaii supported the intent of this The Employees Retirement System submitted comments.

During this time of low unemployment and increased competition for the best and brightest employee candidates to fill positions in the workforce, it is often difficult for the state and county governments to fill positions. The filling of this positions is often necessary so that the state and county governments can continue to operate with a qualified and stable workforce. Rehiring retirees for hard to fill positions will help to achieve this goal, while allowing newer employees to gain the experience necessary to fill these positions in the future.

However, your Committee finds that concerns were raised that safeguards against abuse of the system were needed since employees may retire and collect retirement benefits and be immediately be rehired and collect a regular salary, in essence "double dipping". Concerns were also raised that the allowance to rehire retirees may result in any position being filled by a retiree to avoid the lengthy selection process necessary to fill vacant positions. Accordingly, your Committee has amended this bill by:

- (1) Stipulating that retirees may only be rehired to fill critical-to-fill or labor shortage positions; and
- (2) Requiring retirees to wait at least one calendar year before returning to government employment.

Technical, nonsubstantive amendments were also made 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 S.B. No. 1950, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1950, S.D. 2, 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,



ALEX M. SONSON, Chair





State of Hawaii House of Representatives The Twenty-fourth Legislature

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: SB 1950 SD2	Date:	20-67		
Committee Referral: LAB,FIN		☐ The committee is reconsidering its previous decision on the measure.		
The recommendation is to: Pass, unamended	Pass, with amendments Pass, with amendments, for recommittal for further consideration			
☐ Hold				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. SONSON, Alex M. (C)				
2. NAKASONE, Bob (VC)				
3. EVANS, Cindy				
4. HAR, Sharon E.				
5. LEE, Marilyn B.				
6. LUKE, Sylvia				
7. McKELVEY, Angus L.K.	-	in the second se		
8. NISHIMOTO, Scott Y.			,,,,,,, <u>i</u>	
9. SOUKI, Joseph M.				
10. TAKAMINE, Dwight Y.			······································	
11. TAKUMI, Roy M.	1			
12. MEYER, Colleen Rose				
13. PINE, Kymberly Marcos			HANCING AND THE	
TOTAL	12	/		
The recommendation is: Adopted Not Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Clerk's Office				