
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 by amending subsection (a) 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 retirement 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 ~~[or]~~ 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 January 7, 2059.



Report Title:

Separation Benefits; Voluntary Severance Benefit; Special Retirement Benefit

Description:

Offers employees of the Hawaii Health Systems Corporation whose positions will be abolished or directly affected by a reduction-in-force, workforce restructuring plan, or privatization the choice of receiving both special retirement benefits and voluntary severance benefits or exercising a reduction-in-force right. Takes effect 1/7/2059. (SD1)

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

