

A BILL FOR AN ACT

RELATING TO TRANSFER OF EMPLOYEE BENEFITS.

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

1 PART I

2 SECTION 1. The department of human resources development
3 shall adopt rules and revise policies as necessary to ensure
4 that an employee separating employment from the State may
5 transfer any accrued vacation and sick leave if the employee is
6 rehired by the State or any county government within one
7 calendar year of separation.

8 SECTION 2. Both houses of the legislature shall adopt
9 policies as necessary to ensure that an employee separating
10 employment from the legislature may transfer any accrued
11 vacation and sick leave if the employee is rehired by the State
12 or any county government within one calendar year of separation
13 from the legislature.

14 SECTION 3. Each county shall adopt ordinances and amend
15 policies as necessary to ensure that an employee separating
16 employment from the county may transfer any accrued vacation and
17 sick leave if the employee is rehired by the State or any county



1 government within one calendar year of separation from the
2 county.

3 SECTION 4. For the purposes of this part, "employee" means
4 a person who is eligible to participate in the employees'
5 retirement system of the State of Hawaii as defined in
6 section 88-21, Hawaii Revised Statutes.

7 PART II

8 SECTION 5. Section 87A-35, Hawaii Revised Statutes, is
9 amended by amending subsection (a) to read as follows:

10 "(a) This section shall apply to state and county
11 contributions to the fund for employees who were hired after
12 June 30, 1996, but before July 1, 2001, and who retire with
13 fewer than twenty-five years of credited service, excluding sick
14 leave; provided that this section shall not apply to the
15 following employees, for whom state and county contributions
16 shall be made as provided by section 87A-33:

17 (1) An employee hired ~~prior to~~ before July 1, 1996, who
18 transfers employment after June 30, 1996, and who
19 cumulatively accrues at least ten years of credited
20 service; and



1 (2) An employee hired [prior to] before July 1, 1996, who
2 has at least ten years of credited service [prior to]
3 before a break in service.

4 For the purposes of this section:

5 "Break in service" means to leave state or county
6 employment for more than [ninety calendar days]:

10 (2) One full year before returning to state or county
11 employment; provided that the leave begins on or after
12 July 1, 2026.

13 "Transfer" means to leave state or county employment and
14 return to state or county employment within [ninety calendar
15 days.];

16 (1) Ninety calendar days; provided that the leave begins
17 before July 1, 2026; or
18 (2) One full year; provided that the leave begins on or
19 after July 1, 2026."

20 SECTION 6. Section 87A-36, Hawaii Revised Statutes, is
21 amended by amending subsection (a) to read as follows:



1 "(a) This section shall apply to state and county
2 contributions to the fund for employees hired after June 30,
3 2001, and who retired, except that this section shall not apply
4 to the following employees, for whom state and county
5 contributions shall be made as provided by section 87A-35:

6 (1) An employee hired after June 30, 1996, and [prior to]
7 before July 1, 2001, who transfers employment after
8 June 30, 2001, and who cumulatively accrues at least
9 ten years of credited service; and
10 (2) An employee hired after June 30, 1996, and [prior to]
11 before July 1, 2001, who has at least ten years of
12 credited service [prior to] before a break in service.

13 For purposes of this section [divided]

14 "Break in service" means to leave state or county

15 employment for more than ninety calendar days before returning
16 to state or county employment.

17 "Transfer" means to leave state or county employment and
18 return to state or county employment within [ninety calendar
19 days.], "break in service" and "transfer" have the same meanings
20 as those terms are defined in section 87A-35."

21 PART III



1 SECTION 7. This Act shall not be construed to diminish any
2 transfer of benefits provision already provided pursuant to
3 collective bargaining agreements that is more favorable to the
4 employees benefited thereby than the transfer terms provided by
5 this Act or at least equivalent thereto; provided that presently
6 existing collective bargaining agreements shall not be affected
7 by the provisions of this Act.

8 SECTION 8. This Act does not affect rights and duties that
9 matured, penalties that were incurred, and proceedings that were
10 begun before its effective date.

11 SECTION 9. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 10. This Act shall take effect on July 1, 2026.

14

INTRODUCED BY: 

JAN 16 2026



H.B. NO. 1599

Report Title:

Public Employees Benefits; Sick and Vacation Leave; EUTF; Transfer; Break in Service

Description:

Requires the State, Legislature, and counties to amend rules and policies to ensure that certain employees can transfer accrued vacation and sick leaves if rehired by the State or a county within one calendar year of separation. Extends the allowable break in service for purposes of determining certain state and county contributions to the Hawaii Employer-Union Health Benefits Trust Fund from ninety calendar days to one full year.

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

