S.B. NO. 2120

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

S.B. NO. 2120

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~~]:

7   (1)   Ninety calendar days before returning to state or

8   county employment[~~.~~]; provided that the leave begins

9   before July 1, 2026; or

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[÷

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

S.B. NO. 2120

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.

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INTRODUCED BY: _____

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.

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