

JAN 23 2026

A BILL FOR AN ACT

RELATING TO RETIRANTS.

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

1 SECTION 1. The legislature finds that the State faces
2 persistent workforce shortages in key technical and specialized
3 positions. Retired state employees who possess institutional
4 knowledge are often best suited to quickly fill these gaps.
5 However, retirants are currently limited to short-term,
6 eighty-nine-day contracts when returning to public employment.
7 This creates constant administrative turnover, prevents
8 long-term project management, and discourages retirees from
9 returning to work for the State.

10 Accordingly, the purpose of this Act is to establish a
11 cost-neutral or cost-saving five-year pilot program to allow the
12 State to rehire retirants into hard-to-staff positions for terms
13 longer than eighty-nine days.

14 SECTION 2. Section 76-16, Hawaii Revised Statutes, is
15 amended by amending subsection (b) to read as follows:

16 "(b) The civil service to which this chapter applies shall
17 comprise all positions in the State now existing or hereafter



1 established and embrace all personal services performed for the
2 State, except the following:

- 3 (1) Commissioned and enlisted personnel of the Hawaii
4 National Guard and positions in the Hawaii National
5 Guard that are required by state or federal laws or
6 regulations or orders of the National Guard to be
7 filled from those commissioned or enlisted personnel;
- 8 (2) Positions filled by persons employed by contract where
9 the director of human resources development has
10 certified that the service is special or unique or is
11 essential to the public interest and that, because of
12 circumstances surrounding its fulfillment, personnel
13 to perform the service cannot be obtained through
14 normal civil service recruitment procedures. Any
15 contract may be for any period not exceeding one year;
- 16 (3) Positions that must be filled without delay to comply
17 with a court order or decree if the director
18 determines that recruitment through normal recruitment
19 civil service procedures would result in delay or
20 noncompliance, such as the Felix-Cayetano consent
21 decree;



1 (4) Positions filled by the legislature or by either house
2 or any committee thereof;

3 (5) Employees in the office of the governor and office of
4 the lieutenant governor, and household employees at
5 Washington Place;

6 (6) Positions filled by popular vote;

7 (7) Department heads, officers, and members of any board,
8 commission, or other state agency whose appointments
9 are made by the governor or are required by law to be
10 confirmed by the senate;

11 (8) Judges, referees, receivers, masters, jurors, notaries
12 public, land court examiners, court commissioners, and
13 attorneys appointed by a state court for a special
14 temporary service;

15 (9) One bailiff for the chief justice of the supreme court
16 who shall have the powers and duties of a court
17 officer and bailiff under section 606-14; one
18 secretary or clerk for each justice of the supreme
19 court, each judge of the intermediate appellate court,
20 and each judge of the circuit court; one secretary for
21 the judicial council; one deputy administrative



1 director of the courts; three law clerks for the chief
2 justice of the supreme court, two law clerks for each
3 associate justice of the supreme court and each judge
4 of the intermediate appellate court, one law clerk for
5 each judge of the circuit court, two additional law
6 clerks for the civil administrative judge of the
7 circuit court of the first circuit, two additional law
8 clerks for the criminal administrative judge of the
9 circuit court of the first circuit, one additional law
10 clerk for the senior judge of the family court of the
11 first circuit, two additional law clerks for the civil
12 motions judge of the circuit court of the first
13 circuit, two additional law clerks for the criminal
14 motions judge of the circuit court of the first
15 circuit, and two law clerks for the administrative
16 judge of the district court of the first circuit; and
17 one private secretary for the administrative director
18 of the courts, the deputy administrative director of
19 the courts, each department head, each deputy or first
20 assistant, and each additional deputy, or assistant
21 deputy, or assistant defined in paragraph (16);



1 (10) First deputy and deputy attorneys general, the
2 administrative services manager of the department of
3 the attorney general, one secretary for the
4 administrative services manager, an administrator and
5 any support staff for the criminal and juvenile
6 justice resources coordination functions, and law
7 clerks;

8 (11) (A) Teachers, principals, vice-principals, complex
9 area superintendents, deputy and assistant
10 superintendents, other certificated personnel,
11 and no more than twenty noncertificated
12 administrative, professional, and technical
13 personnel not engaged in instructional work;
14 (B) Effective July 1, 2003, teaching assistants,
15 educational assistants, bilingual or bicultural
16 school-home assistants, school psychologists,
17 psychological examiners, speech pathologists,
18 athletic health care trainers, alternative school
19 work study assistants, alternative school
20 educational or supportive services specialists,
21 alternative school project coordinators, and



- 1 communications aides in the department of
- 2 education;
- 3 (C) The special assistant to the state librarian and
- 4 one secretary for the special assistant to the
- 5 state librarian; and
- 6 (D) Members of the faculty of the university of
- 7 Hawaii, including research workers, extension
- 8 agents, personnel engaged in instructional work,
- 9 and administrative, professional, and technical
- 10 personnel of the university;
- 11 (12) Employees engaged in special, research, or
- 12 demonstration projects approved by the governor;
- 13 (13) (A) Positions filled by inmates, patients of state
- 14 institutions, and persons with severe physical or
- 15 mental disabilities participating in the work
- 16 experience training programs;
- 17 (B) Positions filled with students in accordance with
- 18 guidelines for established state employment
- 19 programs; and
- 20 (C) Positions that provide work experience training
- 21 or temporary public service employment that are



1 filled by persons entering the workforce or
2 persons transitioning into other careers under
3 programs such as the federal Workforce Investment
4 Act of 1998, as amended, or the Senior Community
5 Service Employment Program of the Employment and
6 Training Administration of the United States
7 Department of Labor, or under other similar state
8 programs;

9 (14) A custodian or guide at Iolani Palace, the Royal
10 Mausoleum, and Hulihee Palace;

11 (15) Positions filled by persons employed on a fee,
12 contract, or piecework basis, who may lawfully perform
13 their duties concurrently with their private business
14 or profession or other private employment and whose
15 duties require only a portion of their time, if it is
16 impracticable to ascertain or anticipate the portion
17 of time to be devoted to the service of the State;

18 (16) Positions of first deputies or first assistants of
19 each department head appointed under or in the manner
20 provided in section 6, article V, of the Hawaii State
21 Constitution; three additional deputies or assistants



1 either in charge of the highways, harbors, and
2 airports divisions or other functions within the
3 department of transportation as may be assigned by the
4 director of transportation, with the approval of the
5 governor; one additional deputy in the department of
6 human services either in charge of welfare or other
7 functions within the department as may be assigned by
8 the director of human services; four additional
9 deputies in the department of health, each in charge
10 of one of the following: behavioral health,
11 environmental health, hospitals, and health resources
12 administration, including other functions within the
13 department as may be assigned by the director of
14 health, with the approval of the governor; two
15 additional deputies in charge of the law enforcement
16 programs, administration, or other functions within
17 the department of law enforcement as may be assigned
18 by the director of law enforcement, with the approval
19 of the governor; three additional deputies each in
20 charge of the correctional institutions,
21 rehabilitation services and programs, and



1 administration or other functions within the
2 department of corrections and rehabilitation as may be
3 assigned by the director of corrections and
4 rehabilitation, with the approval of the governor; two
5 administrative assistants to the state librarian; and
6 an administrative assistant to the superintendent of
7 education;

8 (17) Positions specifically exempted from this part by any
9 other law; provided that:

10 (A) Any exemption created after July 1, 2014, shall
11 expire three years after its enactment unless
12 affirmatively extended by an act of the
13 legislature; and

14 (B) All of the positions defined by paragraph (9)
15 shall be included in the position classification
16 plan;

17 (18) Positions in the state foster grandparent program and
18 positions for temporary employment of senior citizens
19 in occupations in which there is a severe personnel
20 shortage or in special projects;



1 (19) Household employees at the official residence of the
2 president of the university of Hawaii;

3 (20) Employees in the department of education engaged in
4 the supervision of students during meal periods in the
5 distribution, collection, and counting of meal
6 tickets, and in the cleaning of classrooms after
7 school hours on a less than half-time basis;

8 (21) Employees hired under the tenant hire program of the
9 Hawaii public housing authority; provided that no more
10 than twenty-six per cent of the authority's workforce
11 in any housing project maintained or operated by the
12 authority shall be hired under the tenant hire
13 program;

14 (22) Positions of the federally funded expanded food and
15 nutrition program of the university of Hawaii that
16 require the hiring of nutrition program assistants who
17 live in the areas they serve;

18 (23) Positions filled by persons with severe disabilities
19 who are certified by the state vocational
20 rehabilitation office that they are able to perform
21 safely the duties of the positions;



- 1 (24) The sheriff;
- 2 (25) A gender and other fairness coordinator hired by the
- 3 judiciary;
- 4 (26) Positions in the Hawaii National Guard youth and adult
- 5 education programs;
- 6 (27) In the Hawaii state energy office in the department of
- 7 business, economic development, and tourism, all
- 8 energy program managers, energy program specialists,
- 9 energy program assistants, and energy analysts;
- 10 (28) Administrative appeals hearing officers in the
- 11 department of human services;
- 12 (29) In the [~~Med-QUEST~~] med-QUEST division of the
- 13 department of human services, the division
- 14 administrator, finance officer, health care services
- 15 branch administrator, medical director, and clinical
- 16 standards administrator;
- 17 (30) In the director's office of the department of human
- 18 services, the enterprise officer, information security
- 19 and privacy compliance officer, security and privacy
- 20 compliance engineer, security and privacy compliance
- 21 analyst, information technology implementation



1 manager, assistant information technology
2 implementation manager, resource manager, community or
3 project development director, policy director, special
4 assistant to the director, and limited English
5 proficiency project manager or coordinator;

6 (31) The Alzheimer's disease and related dementia services
7 coordinator in the executive office on aging;

8 (32) In the Hawaii emergency management agency, the
9 executive officer, public information officer, civil
10 defense administrative officer, branch chiefs, and
11 emergency operations center state warning point
12 personnel; provided that for state warning point
13 personnel, the director shall determine that
14 recruitment through normal civil service recruitment
15 procedures would result in delay or noncompliance;

16 (33) The executive director and seven full-time
17 administrative positions of the school facilities
18 authority;

19 (34) Positions in the Mauna Kea stewardship and oversight
20 authority;



- 1 (35) In the office of homeland security of the department
2 of law enforcement, the statewide interoperable
3 communications coordinator;
- 4 (36) In the social services division of the department of
5 human services, the business technology analyst;
- 6 (37) The executive director and staff of the 911 board;
- 7 (38) The software developer supervisor and senior software
8 developers in the department of taxation;
- 9 (39) In the department of law enforcement, five Commission
10 on Accreditation for Law Enforcement Agencies, Inc.,
11 coordinator positions;
- 12 (40) The state fire marshal and deputy state fire marshal
13 in the office of the state fire marshal;
- 14 (41) The administrator for the law enforcement standards
15 board;
- 16 (42) In the office of the director of taxation, the data
17 privacy officer and tax business analysts; ~~and~~
- 18 ~~+~~ (43) ~~+~~ All positions filled by the Hawaii tourism authority
19 within the department of business, economic
20 development, and tourism~~-~~; and
- 21 (44) Retirants employed under section 88-9(d)(6).



1 The director shall determine the applicability of this
2 section to specific positions.

3 Nothing in this section shall be deemed to affect the civil
4 service status of any incumbent as it existed on July 1, 1955."

5 SECTION 3. Section 87A-1, Hawaii Revised Statutes, is
6 amended by amending the definition of "employee-beneficiary" to
7 read as follows:

8 ""Employee-beneficiary" means:

9 (1) An employee;

10 (2) The beneficiary of an employee who is killed in the
11 performance of the employee's duty, including:

12 (A) The surviving child, if there is no surviving
13 parent who is eligible to be an
14 employee-beneficiary and the child is unmarried
15 and under the limiting age as defined by the
16 board; and

17 (B) The surviving spouse, if the surviving spouse
18 does not subsequently remarry;

19 (3) An employee who retired [~~prior to~~] before 1961; and

20 (4) The beneficiary of a retired member of the employees'
21 retirement system; a county pension system; or a



1 police, firefighters, or bandsmen pension system of
2 the State or a county, upon the death of the retired
3 member, including:

4 (A) The surviving child, if there is no surviving
5 parent who is eligible to be an
6 employee-beneficiary and the child is unmarried
7 and under the limiting age as defined by the
8 board; and

9 (B) The surviving spouse, if the surviving spouse
10 does not subsequently remarry;

11 provided that the employee, the employee's beneficiary, or the
12 beneficiary of the deceased retired employee is deemed eligible
13 by the board to participate in a health benefits plan or
14 long-term care benefits plan under this chapter.

15 "Employee-beneficiary" does not include any retirant employed
16 under section 88-9(d)(6) for the duration of the retirant's
17 employment under that section."

18 SECTION 4. Section 88-9, Hawaii Revised Statutes, is
19 amended by amending subsection (d) to read as follows:

20 "(d) A retirant may be employed without reenrollment in
21 the system and suffer no loss or interruption of benefits



1 provided by the system or under chapter 87A if the retirant is
2 employed:

3 (1) As an elective officer pursuant to section 88-42.6(c)
4 or as a member of the legislature pursuant to section
5 88-73(d);

6 (2) As a juror or precinct official;

7 (3) As a part-time or temporary employee excluded from
8 membership in the system pursuant to section 88-43, as
9 a session employee excluded from membership in the
10 system pursuant to section 88-54.2[+],[+] or as any
11 other employee expressly excluded by law from
12 membership in the system; provided that:

13 (A) The retirant was not employed by the State or a
14 county during the six calendar months [~~prior to~~]
15 before the first day of reemployment; and

16 (B) No agreement was entered into between the State
17 or a county and the retirant, [~~prior to~~] before
18 the retirement of the retirant, for the return to
19 work by the retirant after retirement;



1 (4) In a position identified by the appropriate
2 jurisdiction as a labor shortage or difficult-to-fill
3 position; provided that:

4 (A) The retirant was not employed by the State or a
5 county during the twelve calendar months [~~prior~~
6 ~~to~~] before the first day of reemployment;

7 (B) No agreement was entered into between the State
8 or a county and the retirant, [~~prior to~~] before
9 the retirement of the retirant, for the return to
10 work by the retirant after retirement; and

11 (C) Each employer shall contribute to the pension
12 accumulation fund the required percentage of the
13 rehired retirant's compensation to amortize the
14 system's unfunded actuarial accrued liability;
15 [~~or~~]

16 (5) As a teacher or an administrator in a teacher shortage
17 area identified by the department of education or in a
18 charter school or as a mentor for new classroom
19 teachers; provided that:



1 (A) The retirant was not employed by the State or a
2 county during the twelve calendar months [~~prior~~
3 ~~to~~] before the first day of reemployment;

4 (B) No agreement was entered into between the State
5 or a county and the retirant [~~prior to~~] before
6 the retirement of the retirant, for the return to
7 work by the retirant after retirement; and

8 (C) The department of education or charter school
9 shall contribute to the pension accumulation fund
10 the required percentage of the rehired retirant's
11 compensation to amortize the system's unfunded
12 actuarial accrued liability[~~-~~]; or

13 (6) In a position verified by the governor or any county
14 mayor as an identified labor shortage or certified
15 hard-to-staff position and for which employment for a
16 period exceeding eighty-nine days would be beneficial;
17 provided that:

18 (A) The position was publicly recruited for a minimum
19 of fourteen days, in accordance with the
20 requirements of chapter 76;



1 (B) No list of certified eligibles could be
2 established for the position, or the list of
3 certified eligibles was exhausted without a
4 successful hire;

5 (C) The term of employment shall not exceed one year;
6 provided that employment may be renewed for
7 additional terms of one year; provided further
8 that before each renewal the governor or any
9 mayor shall verify that:

10 (i) The position remains identified as a labor
11 shortage position or certified as a
12 hard-to-staff position; and

13 (ii) A new recruitment effort pursuant to
14 subparagraphs (A) and (B) was conducted but
15 failed to identify a qualified non-retirant
16 candidate;

17 (D) The retirant shall not:

18 (i) Have been employed by the State or a county
19 during the six calendar months before the
20 first day of the initial reemployment; or



1 (ii) Have entered into an agreement for
2 employment with the State or a county before
3 retiring;

4 (E) The employer shall contribute the required
5 percentage of compensation to amortize the
6 system's unfunded actuarial accrued liability;

7 (F) The retirant shall be included in the appropriate
8 bargaining unit under section 89-6 for the
9 payment of dues and grievance protections;

10 (G) If the position is a state position, the
11 appointing authority shall notify the department
12 of human resources development of the retirant's
13 employment and provide other information as
14 required by the department of human resources
15 development; and

16 (H) If the position is in the department of
17 education, the superintendent may set a salary
18 schedule for the position without regard to the
19 standard collective bargaining agreement salary
20 step placement; provided further that the salary



1 shall not exceed the maximum step of the
2 position's classification.

3 For the purposes of this paragraph, "hard-to-staff"
4 means a position for which the director of human
5 resources development or respective appointing
6 authority has certified that the service is special or
7 unique or is essential to the public interest and
8 that, because of circumstances surrounding its
9 fulfillment, personnel to perform the service cannot
10 be obtained through normal civil service recruitment
11 procedures; provided further that for the purposes of
12 positions in the department of education,
13 "hard-to-staff" includes positions eligible for
14 shortage differential pay and in subject areas in
15 which the number of unlicensed teachers exceeds a
16 critical threshold, as determined by the department of
17 education by rule."

18 SECTION 5. The department of human resources development
19 shall submit a report on the implementation of this Act to the
20 legislature no later than twenty days prior to the convening of
21 the regular session of 2031. The report shall include:



(1) For the period beginning on the effective date of this Act and ending on June 30, 2030:

(A) The number of reported retirants rehired by the State under section 88-9(d)(6), Hawaii Revised Statutes;

(B) A representative summary of the duration of the retirants' employment in a manner that protects personally identifiable information;

(C) The savings or estimated savings to the State; and

(D) Other information deemed relevant by the department of human resources development;

(2) A recommendation as to whether the program should be made permanent, modified, or terminated; and

(3) Any proposed legislation.

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

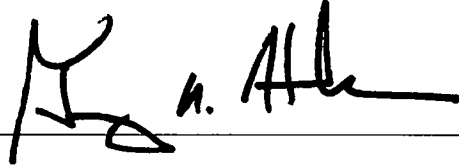
SECTION 7. This Act shall take effect upon its approval; provided that on June 30, 2031, this Act shall be repealed and sections 76-16, 87A-1, and 88-9, Hawaii Revised Statutes, shall



1 be reenacted in the form in which they read on the day prior to
2 the effective date of this Act.

3

INTRODUCED BY:

A handwritten signature in black ink, appearing to read "R. H. Allen", is written over a horizontal line.



S.B. NO. 2672

Report Title:

DHRD; ERS; EUTF; Public Employment; Retirants; State and County Positions; 89-Day Contracts; Report

Description:

Establishes a five-year pilot program allowing retirants to be rehired for exempt service for one-year terms under certain circumstances. Provides that retirants employed under the program are excluded from the Hawaii Employer-Union Health Benefits Trust Fund and will not experience an interruption of pension benefits. Requires an employer of a retirant under the program to contribute to the Employees' Retirement System. Requires the Department of Human Resources Development to submit a report to the Legislature. Sunsets 6/30/2031.

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

