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# 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 elect  
5 to transfer any accrued vacation and sick leave if the employee  
6 is rehired by the State or any county government within one  
7 calendar year of separation; provided that the employee shall  
8 provide notice of the employee's election to the state employer  
9 no later than ninety days after the date of separation.

10 SECTION 2. Both houses of the legislature shall adopt  
11 policies as necessary to ensure that an employee separating  
12 employment from the legislature may elect to transfer any  
13 accrued vacation and sick leave if the employee is rehired by  
14 the State or any county government within one calendar year of  
15 separation from the legislature; provided that the employee  
16 shall provide notice of the employee's election to the



1 legislative employer no later than ninety days after the date of  
2 separation.

3 SECTION 3. Each county shall adopt ordinances and amend  
4 policies as necessary to ensure that an employee separating  
5 employment from the county may elect to transfer any accrued  
6 vacation and sick leave if the employee is rehired by the State  
7 or any county government within one calendar year of separation  
8 from the county; provided that the employee shall provide notice  
9 of the employee's election to the county employer no later than  
10 ninety days after the date of separation.

11 SECTION 4. For the purposes of this part, "employee" has  
12 the same meaning as defined in section 78-1.5, Hawaii Revised  
13 Statutes.

14 PART II

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

17 "(a) This section shall apply to state and county  
18 contributions to the fund for employees who were hired after  
19 June 30, 1996, but before July 1, 2001, and who retire with  
20 fewer than twenty-five years of credited service, excluding sick  
21 leave; provided that this section shall not apply to the



1 following employees, for whom state and county contributions  
2 shall be made as provided by section 87A-33:

3 (1) An employee hired [~~prior to~~] before July 1, 1996, who  
4 transfers employment after June 30, 1996, and who  
5 cumulatively accrues at least ten years of credited  
6 service; and

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

10 For the purposes of this section:

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

13 (1) Ninety calendar days before returning to state or  
14 county employment[~~-~~]; provided that the leave begins  
15 before July 1, 2026; or

16 (2) One hundred eighty calendar days before returning to  
17 state or county employment; provided that:

18 (A) The leave begins on or after July 1, 2026;

19 (B) The employee elects to be subject to the one  
20 hundred eighty calendar day period; and



1           (C) The employee provides notice of the employee's  
2           election to the state or county employer no later  
3           than ninety days after the leave begins.

4           Any employee who does not elect to be subject to the  
5           one hundred eighty calendar day period shall be  
6           subject to the period described in paragraph (1).

7           "Transfer" means to leave state or county employment and  
8           return to state or county employment within [~~ninety calendar~~  
9           ~~days~~].

10          (1) Ninety calendar days; provided that the leave begins  
11          before July 1, 2026; or

12          (2) One hundred eighty calendar days; provided that:

13          (A) The leave begins on or after July 1, 2026;

14          (B) The employee elects to be subject to the one  
15          hundred eighty calendar day period; and

16          (C) The employee provides notice of the employee's  
17          election to the state or county employer no later  
18          than ninety days after the leave begins.

19          Any employee who does not elect to be subject to the  
20          one hundred eighty calendar day period shall be  
21          subject to the period described in paragraph (1)."



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

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

8 (1) An employee hired after June 30, 1996, and [~~prior to~~]  
9 before July 1, 2001, who transfers employment after  
10 June 30, 2001, and who cumulatively accrues at least  
11 ten years of credited service; and

12 (2) An employee hired after June 30, 1996, and [~~prior to~~]  
13 before July 1, 2001, who has at least ten years of  
14 credited service [~~prior to~~] before a break in service.

15 For purposes of this section[+]

16 "~~Break in service~~" means ~~to leave state or county~~  
17 ~~employment for more than ninety calendar days before returning~~  
18 ~~to state or county employment.~~

19 "~~Transfer~~" means ~~to leave state or county employment and~~  
20 ~~return to state or county employment within ninety calendar~~



1 ~~days~~], "break in service" and "transfer" have the same meanings  
2 as those terms are defined in section 87A-35."

3 PART III

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

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

14 SECTION 9. Statutory material to be repealed is bracketed  
15 and stricken. New statutory material is underscored.

16 SECTION 10. This Act shall take effect on January 1, 2077.

17



S.B. NO. 2120  
S.D. 1

**Report Title:**

Public Employee 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 under certain conditions. 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 180 calendar dars under certain conditions. Effective 1/1/2077. (SD1)

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

