

STAND. COM. REP. NO. **2215**

Honolulu, Hawaii

FEB 12 2026

RE: S.B. No. 2120
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committees on Labor and Technology and Energy and Intergovernmental Affairs, to which was referred S.B. No. 2120 entitled:

"A BILL FOR AN ACT RELATING TO TRANSFER OF EMPLOYEE BENEFITS,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require 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; and
- (2) Extend the allowable break in service for purpose of determining certain state and county contributions to the Hawai'i Employer-Union Health Benefits Trust Fund from ninety calendar days to one full year.

Your Committees received testimony in support of this measure from the University of Hawaii Professional Assembly and one individual.

Your Committees received testimony in opposition to this measure from the Office of Collective Bargaining.



Your Committees received comments on this measure from the Department of Human Resources Development and United Public Workers, AFSCME Local 646, AFL-CIO.

Your Committees find that public employers in the State currently do not allow employees who left employment but were rehired by another public employer to keep their accrued vacation or sick leave by transferring the accrued leaves to the new public employer, or impose a seven-day deadline for the employees to elect whether to transfer their accrued leaves to the new public employer. Your Committees also find that existing laws governing State and county contributions to the Hawaii Employer-Union Health Benefits Trust Fund and calculation of years of service for certain employees deems that an employee has transferred employment, rather than a break in service, if the employee leaves and returns to state or county employment within ninety calendar days. Your Committees find that these deadlines are insufficient given the length of the current public hiring process for certain positions. By extending these deadlines, this measure strengthens the financial security of public employees and encourages former employees to return to public employment.

Your Committees have amended this measure by:

(1) Amending Part I by:

- (A) Clarifying that the transfer of accrued vacation and sick leave is voluntary;
- (B) Requiring employees to provide notice of the employee's election to the state employer no later than ninety days after the date of separation; and
- (C) Changing the definition of "employer" to have the same meaning as the term is defined in section 78-1.5, Hawaii Revised Statutes, which governs public service, rather than section 88-21, Hawaii Revised Statutes; which governs pension and retirement systems;

(2) Amending Part II by:



- (A) Changing the definition of "break in service" for leave that begins on or after July 1, 2026, to mean to leave state or county employment for more than one hundred eighty calendar days, rather than one full year, before returning to state or county employment; provided that the employee elects to be subject to the one hundred eighty calendar day period and the employee provides notice of the employee's election to the state or county employer no later than ninety days after the leave begins;
 - (B) Changing the definition of "transfer" for leave that begins on or after July 1, 2026, to mean to leave state or county employment and return to state or county employment within one hundred eighty calendar days, rather than one full year; provided that the employee elects to be subject to the one hundred eighty calendar day period and provides notice of the employee's election to the state or county employer no later than ninety days after the leave begins; and
 - (C) Clarifying that any employee who does not elect to be subject to the one hundred eighty calendar day period shall be subject to the existing ninety day period;
- (3) Amending section 1 to reflect its amended purpose;
 - (4) Inserting an effective date of January 1, 2077, to encourage further discussion; and
 - (5) Making a technical, nonsubstantive amendments for the purposes of clarity and consistency.

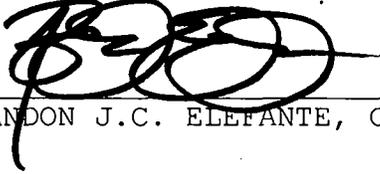
As affirmed by the records of votes of the members of your Committees on Labor and Technology and Energy and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2120, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2120, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committees on Labor and
Technology and Energy and
Intergovernmental Affairs,



GLENN WAKAI, Chair

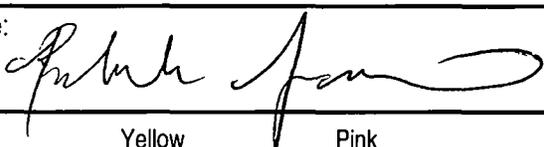


BRANDON J.C. ELEFANTE, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Labor and Technology
LBT

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2120	LBT/EIG, WAM	2-3-26		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
ELEFANTE, Brandon J.C. (C)	✓			
LAMOSAO, Rachele (VC)	✓			
IHARA, Jr., Les	✓			
MORIWAKI, Sharon Y.				✓
FEVELLA, Kurt				✓
TOTAL	3	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink File with Committee Report Committee Drafting Agency				

*Only one measure per Record of Votes

The Senate
 Thirty-Third Legislature
 State of Hawai'i

Record of Votes
Committee on Energy and Intergovernmental Affairs
EIG

Bill / Resolution No.:* SB2120	Committee Referral: LBT/EIG, WAM	Date: 2/3/2026		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
WAKAI, Glenn (C)	✓			
CHANG, Stanley (VC)	✓			
DECOITE, Lynn	✓			
RICHARDS, III, Herbert M. "Tim"	✓			
FEVELLA, Kurt				✓
TOTAL	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-size: 2em; font-family: cursive;">  </div>				
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