

STAND. COM. REP. NO. **2535**

Honolulu, Hawaii

FEB 20 2026

RE: S.B. No. 2526
S.D. 1

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

Sir:

Your Committee on Labor and Technology, to which was referred S.B. No. 2526 entitled:

"A BILL FOR AN ACT RELATING TO EMPLOYMENT OF RETIRANTS,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize the rehiring of retirants for positions that are unique and critical to operations and limit the duration of each retirant's reemployment to four years.

Your Committee received testimony in support of this measure from the Office of the Mayor of the County of Maui, Department of Human Resources of the City and County of Honolulu, Office of the Mayor of the County of Kaua'i, and one individual.

Your Committee received comments on this measure from the Department of the Attorney General and Employees' Retirement System.

Your Committee finds that there is a labor shortage in the State that makes it difficult to fill certain positions in the public sector identified as unique and critical to government operations. Your Committee also finds that hiring retirants who are qualified and trained for these positions allows vacancies to be filled more efficiently. This measure facilitates the rehiring of retirants in positions identified by the appropriate



jurisdictions as unique and critical to government operations by allowing rehiring to occur without reenrollment in the Employees' Retirant System or a loss or interruption of benefits.

Your Committee acknowledges the concerns raised in testimony by the Department of the Attorney General that there may be uncertainty regarding the treatment of a retirant rehired and compliance with Chapter 76, Hawaii Revised Statutes, relating to the Civil Service Law. Therefore, amendments to this measure needs to be amended to address these concerns.

Accordingly, your Committee has amended this measure by:

- (1) Inserting language to clarify that notwithstanding section 76-16(b)(17), Hawaii Revised Statutes, a retirant hired after June 30, 2026, shall not be reemployed in a position identified as unique and critical to operations for a period exceeding four years in total and upon reaching the four-year limit, the retirant shall separate from state or county employment;
- (2) Defining the term "unique and critical to operations" as a position that requires a high degree of specialized knowledge and experience;
- (3) Inserting a savings clause;
- (4) Inserting an effective date of January 1, 2077, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2526, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2526, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Labor and
Technology,



BRANDON J.C. ELEFANTE, Chair



