



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
KA 'OIHANA O KA LOIO KUHINA  
THIRTY-THIRD LEGISLATURE, 2026**

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**ON THE FOLLOWING MEASURE:**

S.B. NO. 2526, RELATING TO EMPLOYMENT OF RETIRANTS.

**BEFORE THE:**

SENATE COMMITTEE ON LABOR AND TECHNOLOGY

**DATE:** Friday, February 13, 2026 **TIME:** 3:00 p.m.

**LOCATION:** State Capitol, Room 225

**TESTIFIER(S):** Anne E. Lopez, Attorney General, or  
Jenny J.N.A. Nakamoto, Deputy Attorney General

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Chair Elefante and Members of the Committee:

The Department of the Attorney General (Department) provides the following comments.

This bill amends section 88-9(d), Hawaii Revised Statutes (HRS), to establish a new category of retirant identified by the appropriate jurisdiction as "unique and critical to operations." Retirants in this category could be reemployed without reenrollment in the Employees' Retirement System of the State of Hawaii (ERS), and without loss or interruption of benefits provided by the ERS or under chapter 87A, HRS, the Hawaii Employer-Union Health Benefits Trust Fund.

The bill would also subject the new category of retirant to four conditions: (1) the retirant would be prohibited from employment by the State or a county for twelve calendar months before the first day of reemployment; (2) no agreement can be entered into between the State or a county and the retirant, prior to retirement, for the retirant to return to work after retirement; (3) each employer of the rehired retirant must contribute to the pension accumulation fund the required percentage of the retirant's compensation to amortize ERS's unfunded actuarial accrued liability; and (4) the retirant may not be reemployed in a position identified as "unique and critical to operations" for more than four years total. Upon exhaustion of the four-year limit, the retirant would be required to separate from state or county employment.

The bill introduces a term "unique and critical to operations" (page 4, line 9 and page 5, lines 4-5) without defining it. As drafted, it is unclear how this term is intended to be interpreted or applied, as no standard is provided for ERS or employing jurisdictions to follow. The Department recommends defining this term.

In addition, to avoid uncertainty regarding the treatment of a retirant rehired in positions identified as "unique and critical to operations," and to ensure compliance with chapter 76, HRS, Civil Service Law, the Department suggests the following revisions:

Replace the proposed section 88-9(d)(6)(D), HRS, on page 5, lines 3-8, with the following:

- (D) Notwithstanding section 76-16(b)(17), the 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. Upon reaching the four-year limit, the retirant shall separate from state or county employment.**

Insert the following provision beginning on page 5, line 17:

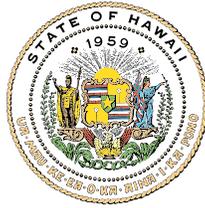
**SECTION 3. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.**

Renumber subsequent sections as appropriate.

Thank you for the opportunity to provide these comments.

JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LIEUTENANT GOVERNOR



KALBERT K. YOUNG  
EXECUTIVE DIRECTOR

GAIL STROHL  
DEPUTY EXECUTIVE DIRECTOR

**STATE OF HAWAII  
EMPLOYEES' RETIREMENT SYSTEM**

TESTIMONY BY KALBERT YOUNG  
EXECUTIVE DIRECTOR, EMPLOYEES' RETIREMENT SYSTEM  
STATE OF HAWAII  
TO THE SENATE COMMITTEE ON FINANCE  
ON  
SENATE BILL NO. 2526

**February 13, 2026**

**3:00 PM**

**Conference Room 225 and VIA Videoconference**

RELATING TO EMPLOYMENT OF RETIRANTS.

Chair Elefante, Vice Chair Lamosao, and Members of the Committee,

While the Board of Trustees (BOT) has not had a chance to review the bill, the Employees' Retirement System (ERS) appreciates the intent of SB 2526 and is thankful for the opportunity to offer comments regarding this measure.

SB 2526 proposes to amend Section 88-9 of the Hawaii Revised Statutes (HRS) to allow positions identified by the appropriate jurisdiction as "unique and critical to operations" to be filled by a retiree without reenrollment into the system after a twelve-calendar month break.

As this bill progresses, there are a number of components which are important for the stability and sustainability of the pension system. ERS supports the inclusion of a twelve-calendar month break and prohibition on post-retirement agreements to return to work, consistent with other positions identified as shortage or difficult-to-fill, as these fulfill requirements to retain our tax qualified status under Internal Revenue Code (IRC). We similarly support that contributions are required to be made by the employer



**Employees' Retirement System**  
of the State of Hawaii

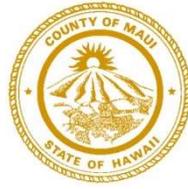
towards the pension accumulation fund to amortize the system's unfunded accrued liability which mitigates the lost contributions when these positions are filled with unenrolled retirees rather than active members or reenrolled retirees earning retirement benefits.

The ERS respectfully recommends that the adjudicating jurisdictions develop and implement policies and procedures regarding positions to be identified as unique and critical to operations. We further recommend that these policies and procedures are formalized, with the jurisdiction's Director of Human Resources involvement as part of the process, to alleviate concerns for inconsistent application of enrollment exemptions for similarly situated retirees. This revision aside, we continue to believe that the included requirement of an annual report to the legislature by the Director of Human Resources of the appropriate State or County jurisdiction could provide sufficient oversight to ensure determinations are consistent with applicable laws and rules.

Thank you for the opportunity to provide comments on SB 2526.

**RICHARD T. BISSEN, JR.**  
Mayor

**JOSIAH K. NISHITA**  
Managing Director



**OFFICE OF THE MAYOR**  
COUNTY OF MAUI  
200 SOUTH HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.mauicounty.gov](http://www.mauicounty.gov)

TO: Senator Brandon J.C. Elefante, Chair  
Senator Rachele Lamosao, Vice Chair  
Committee on Labor and Technology

FROM: Richard T. Bissen, Jr., Mayor  
Josiah K. Nishita, Managing Director

DATE: February 10, 2025

SUBJECT: **SUPPORT OF SB2526 RELATING TO EMPLOYMENT OF RETIRANTS.**

Thank you for the opportunity to testify in **SUPPORT** of this important measure which authorizes the rehiring of retirants for positions that are unique and critical to operations. Limits the duration of each retirant's reemployment to 4 years.

We **SUPPORT** this measure for the following reasons:

1. Retired public employees bring years of experience that are often difficult to replace quickly. Allowing their temporary return in critical roles helps maintain continuity of services.
2. Counties and the State often struggle to recruit for positions that require specialized skills or deep institutional understanding. Retirants can fill these roles effectively while the pipeline of new hires grows allowing for succession planning. Rehired retirants can function as mentors and trainers for newer staff, helping build a stronger and more resilient government workforce for the future.
3. State and County Agencies face unique recruitment challenges. SB2526 gives them a practical tool to keep critical operations running while building local talent pipelines.

Mahalo for your consideration.

**DEPARTMENT OF HUMAN RESOURCES  
KA 'OIHANA HO'OMOHALA LIMAHANA  
CITY AND COUNTY OF HONOLULU**

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RICK BLANGIARDI  
MAYOR  
MEIA



NOLA N. MIYASAKI  
DIRECTOR  
PO'O

KAREN MILLER  
ASSISTANT DIRECTOR  
KOKUA PO'O

February 12, 2026

The Honorable Brandon J.C. Elefante, Chair  
The Honorable Rachele Lamosao, Vice Chair  
and Members of the Senate Committee on Labor and Technology  
The Senate  
State Capitol, Room 225  
415 South Beretania Street  
Honolulu, Hawai'i 96813

Dear Chair Elefante, Vice Chair Lamosao, and Members of the Committee:

**SUBJECT: Senate Bill No. 2526  
Relating to Employment of Retirants**

The City and County of Honolulu, Department of Human Resources (DHR), **supports** the intent of SB 2526, which authorizes the rehiring of a "retirant" for positions that are unique and critical to government operations.

Like other jurisdictions in the State of Hawai'i, the City and County of Honolulu (City) has unique and critical positions that require a high degree of specialized knowledge and experience. Unfortunately, the pool of qualified candidates for these positions is limited. This measure will provide the City the ability to rehire qualified retirants who already possess the expertise and experience necessary to fill these unique and critical roles, individuals who can help stabilize county operations through their expertise and institutional knowledge, as well as support workforce training and succession planning.

Thank you for the opportunity to testify on this measure.

Sincerely,

A handwritten signature in black ink that reads "Nola N. Miyasaki".

Nola N. Miyasaki  
Director

# OFFICE OF THE MAYOR

DEREK S.K. KAWAKAMI, MAYOR

REIKO MATSUYAMA, MANAGING DIRECTOR

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## Testimony of Derek S.K. Kawakami

Mayor, County of Kaua'i

Before the

### Committee on Labor and Technology

February 13, 2026; 3:00 PM

Conference Room 225 & Videoconference

In consideration of

### Senate Bill 2526 Relating to Employment of Retirants

Honorable Chair Elefante, Honorable Vice Chair Lamosao, and Members of the Committee:

I write in **strong support** for SB 2526 which would authorize the rehiring of retirants for positions that are unique and critical to operations; and limits the duration of each retirant's reemployment to four years.

Hawai'i's state and county governments face significant workforce challenges, including difficulty recruiting specialized talent and maintaining institutional knowledge during periods of transition. This measure addresses these challenges by creating a targeted pathway to rehire experienced retirants who bring decades of expertise and familiarity with complex systems, and who can mentor and train newer employees, facilitating knowledge transfer and workforce development.

The 12-month waiting period, four-year employment limit, and prohibition on pre-retirement agreements prevent abuse and ensure this is used only for genuine operational needs. As employers must contribute to the pension accumulation fund to amortize unfunded liabilities, no negative impact on the retirement system will be incurred.

Additionally, the required annual reporting to the legislature ensures appropriate oversight of retirant employment. This measure complements existing provisions for rehiring retirants in labor shortage and teacher shortage positions by specifically addressing unique and critical roles that may not fit those categories but are nonetheless essential to government operations.

The combination of time limits, waiting periods, and pension fund contributions makes this a responsible approach to addressing workforce challenges while protecting both taxpayers and the retirement system.

Thank you for the opportunity to testify in **strong support** of SB 2526.

**LATE**

**SB-2526**

Submitted on: 2/13/2026 9:55:29 AM

Testimony for LBT on 2/13/2026 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Paulette Phillips	Individual	Support	Remotely Via Zoom

Comments:

I support this measure to authorize the hiring of retirants as the state and counties face workforce challenges and this will assist in filling those positions. This bill has guardrails including a 4 year cap, no previous agreement to hire can be in place, and means to keep ERS fiscally sustainable.