

## ACT 18

S.B. NO. 207

A Bill for an Act Relating to Employees.

*Be It Enacted by the Legislature of the State of Hawaii:*

**PART I**

SECTION 1. The purpose of this part is to authorize the expenditure of general funds to minimize the impact of the transfer of affected Maui region hospital employees of the Hawaii health systems corporation entitled to reduction-in-force rights under chapter 89, Hawaii Revised Statutes, resulting from the transfer of the Hawaii health systems corporation's Maui memorial medical center, Kula hospital, and Lanai community hospital to Maui Health System, a Kaiser Foundation Hospitals LLC. The transition of the operations of the Maui region hospitals was approved by the legislature pursuant to Act 103, Session Laws of Hawaii 2015.

SECTION 2. Each affected Maui region hospital employee of the Hawaii health systems corporation who is entitled to reduction-in-force rights under chapter 89, Hawaii Revised Statutes, resulting from the transfer of the Hawaii health systems corporation's Maui memorial medical center, Kula hospital, and Lanai community hospital to Maui Health System, a Kaiser Foundation Hospitals LLC, shall receive a one-time lump sum cash bonus severance benefit, to be calculated at the rate of five per cent of the individual employee's annual base salary for each year of service worked up to and including July 20, 2016, not to exceed ten years, and shall not exceed fifty per cent of the employee's annual base salary.

The severance benefit shall be in addition to any payment owed to the employee upon separation from service, including accumulated unused vacation allowances and compensatory time credits. The severance benefit provided under this section shall not be considered part of a transferred employee's salary, service credit, or cost item as defined in section 89-2, Hawaii Revised Statutes, when calculating retirement benefits or sick and vacation leave.

Severance benefits shall be expended by the department of budget and finance from funds appropriated pursuant to the General Appropriations Act of 2017 for the purposes of this part.

**PART II**

SECTION 3. Chapter 89E, Hawaii Revised Statutes, is repealed.

SECTION 4. Act 1, Second Special Session, Session Laws of Hawaii 2016, is repealed.

**PART III**

SECTION 5. This Act shall take effect on July 1, 2017; provided that sections 3 and 4 shall take effect retroactively to July 20, 2016.

(Approved May 18, 2017.)