A BILL FOR AN ACT

RELATING TO SEPARATION BENEFITS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. Section 89E-2, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Any employee entitled to reduction-in-force rights under chapter 89 and who receives official notification that the employee's position is being abolished or who is directly affected by a reduction-in-force or workforce restructuring plan, including privatization, may elect to receive a voluntary severance benefit provided under this section in lieu of exercising any reduction-in-force rights under chapter 89 in lieu of receiving any special retirement benefit under section 89E-3.; provided that, if the employee qualifies for and elects to receive the special retirement benefit under section 89E-3, the voluntary severance benefits provided in this section shall not be optional and shall be provided to the employee."

SECTION 2. Section 89E-3, Hawaii Revised Statutes, is amended as follows:
1. By amending subsection (a) to read:

"(a) Notwithstanding section 88-99 or any other law to the contrary, the employees' retirement system may provide, regardless of whether the actuarial value of the system's assets is one hundred per cent of the system's actuarial accrued liability, the benefits authorized under this section. Any employee who receives official notification that the employee's position is being abolished or who is directly affected by a reduction-in-force or workforce restructuring plan, including privatization, proposed by an agency may elect, if the employee is eligible to receive benefits from the employees' retirement system and meets any of the criteria specified in subsection (c), the special retirement benefit provided by this section in lieu of exercising any reduction-in-force rights under chapter 89 [and in lieu of receiving any severance benefits under section 89E-2.]; provided that, if the employee qualifies for and elects to receive the voluntary severance benefit under section 89E-2, the special retirement benefit provided by this section shall not be optional and shall be provided to the employee. To receive the special retirement benefit offered under this section, the employee shall comply with the
application and time frame requirements specified in subsection (b)."

2. By amending subsection (e) to read:

"(e) The head of the agency shall transmit a list of employees who elected and received the special retirement benefit to the board of trustees of the employees' retirement system not less than thirty days but not more than one hundred fifty days prior to the employee's retirement date. The head of the agency shall certify that the employees on the list have in fact selected the special retirement benefit in lieu of receiving the severance benefit under section 89E-2 and exercising any reduction-in-force rights under chapter 89."

SECTION 3. Section 89E-5, Hawaii Revised Statutes, is amended to read as follows:

"[+]§89E-5[+] Reemployment. Any employee who has received [either] a severance benefit [or] and a special retirement benefit under this chapter and returns to public service within two years as an employee or contractor shall repay the severance benefit [or] and the special retirement benefit to the State [or] and the employees' retirement system, [as the case may be,]"
respectively, within thirty days of reemployment with a public
employer."

SECTION 4. Section 89E-7, Hawaii Revised Statutes, is
amended to read as follows:

"§89E-7 Reporting requirements; reduction in
personnel counts. The head of the agency that provided benefits
under this chapter shall:

(1) Transmit a report of every position identified for
abolishment and vacated under this chapter to the
directors of finance and human resources development,
who shall abolish these positions from the appropriate
budget and personnel files. The governor shall report
this information to the legislature no later than
twenty days prior to the convening of each regular
session beginning with the regular session of 2017;

(2) Reduce its personnel count by every position
identified for abolishment and vacated under this
chapter, whether the former incumbent vacated the
position as a result of accepting a severance benefit
and a special retirement benefit authorized under
this chapter or of exercising reduction-in-force

rights; and

(3) Transmit a list that includes each employee who

received benefits under this chapter and the benefit

received by the employee to the directors of finance

and human resources development."

SECTION 5. Section 89E-10, Hawaii Revised Statutes, is

amended to read as follows:

"[§89E-10] Review by employee. Employees offered a

severance benefit [ex] and a special retirement benefit shall be

given sufficient time to make an informed decision from the date

of receiving accurate and complete information about the offer."

SECTION 6. This Act does not affect rights and duties that

matured, penalties that were incurred, and proceedings that were

begun before its effective date.

SECTION 7. Statutory material to be repealed is bracketed

and stricken. New statutory material is underscored.

SECTION 8. This Act shall take effect on July 1, 2050.
Report Title:
Separation Benefits; Voluntary Severance Benefit; Special Retirement Benefit

Description:
Amends Act 1, SSLH 2016, as codified, to offer employees the choice of receiving both a voluntary severance benefit and a special retirement benefit or exercising a reduction-in-force right. (HB233 HD1)

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