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COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

April 15, 2026

Mr. Kalbert Young, Executive Director
Employees' Retirement System of the State of Hawaii
City Financial Tower
201 Merchant Street, Suite 1400
Honolulu, Hawai'i 96813

Via Email: kalbert.young@hawaii.gov

Dear Mr. Young:

**SUBJECT: PROPOSED FISCAL YEAR 2027 BUDGET FOR THE
COUNTY OF MAUI (BFED-1)**

Thank you for participating in the Council's Budget, Finance, and Economic Development Committee's discussion of the State Employees' Retirement System at its meeting of March 10, 2026.

May I please request your response to the following:

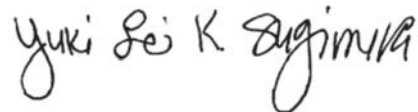
1. Please provide any rule, policy, guidance, advisory, interpretation, or other written authority of the Hawai'i Employees' Retirement System that addresses DM-89 hires or 89-day hires.
2. Please explain what requirements, restrictions, or retirement-related compliance obligations, if any, apply when a department fills a position with a DM-89 hire.
3. Please explain whether the use, extension, or repeated use of a DM-89 hire for the same position affects retirement-system membership, service credit, employer contributions, benefits eligibility, or any other retirement-related obligation.

May I further request you transmit your response to bfed.committee@mauicounty.us by **4:30 p.m. on April 17, 2026**. To ensure efficient processing, please include the Committee item number in the subject line.

Mr. Kalbert Young
April 15, 2026
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Should you have any questions, please contact me or the Committee staff (Kirsten Szabo at 808-270-7662, James Krueger at 808-270-7761, Jarret Pascual at 808-270-7141, Clarissa MacDonald at 808-270-7135, or Pauline Martins at 808-270-8039).

Sincerely,

A handwritten signature in black ink that reads "Yuki Lei K. Sugimura". The signature is written in a cursive style with a large, stylized 'Y' and 'S'.

YUKI LEI K. SUGIMURA, Chair
Budget, Finance, and Economic
Development Committee

bfed:2027bgt:260415a01:kes

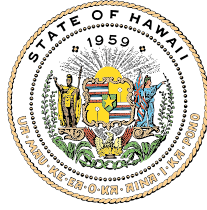
BFED Committee

From: BFED Committee
Sent: Wednesday, April 15, 2026 9:47 PM
To: kalbert.young@hawaii.gov
Subject: PROPOSED FISCAL YEAR 2027 BUDGET FOR THE COUNTY OF MAUI (BFED-1)
Attachments: 260415a01.pdf

Importance: High

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**

May 11, 2026

The Honorable Yuki Lei K. Sugimura, Chair
Budget, Finance, and Economic Development Committee
Maui County Council
200 S. High Street
Wailuku, Hawaii 96793

**RE: INQUIRY RESPONSE, PROPOSED FISCAL YEAR 2027 BUDGET FOR
THE COUNTY OF MAUI (BFED-1)**

This communication is response to your inquiry of April 15, 2026 with questions related to the Hawaii Employees' Retirement System.

Q1: Please provide any rule, policy, guidance, advisory, interpretation, or other written authority of the Hawaii Employees' Retirement System that addresses DM-89 hires or 89-day hires.

A1: Persons hired by employer jurisdictions via an 89-day appointment (89-day hire) are considered temporary employees. The [Hawaii Revised Statutes \(HRS\), §88-43 Persons Ineligible for Membership](#), specifies that the Board of Trustees (of the ERS) "may deny membership to any class of part-time employees or persons engaged in temporary employment of three months or less."

Further, [HRS 88-9\(d\)\(3\) Employment of retirants](#) prescribes the requirements to employ a retirant as a "temporary employee excluded from membership in the system pursuant to section 88-43," without reenrollment in the system.

Additionally, [Hawaii Administrative Rules \(HAR\) 6-21-14\(2\) Employees excluded from membership](#), specifies that "persons employed on short-term or temporary appointments of three months or less" are excluded from membership in the ERS.

Additional enrollment information regarding 89-day appointments may be found at the [ERS website under Employers>>Enrollment](#).



Employees' Retirement System
of the State of Hawaii

The allowance for 89-day hires requires that a minimum one workday break in service is required prior to the start of a subsequent 89-day hire period. 89-day hire employees are not considered civil service appointments, they are considered at-will employees, and receive no employee benefits – such as, paid and accrued vacation, paid and accrued sick leave, paid holidays, and other fringe benefits such as retirement benefits. Furthermore, as an 89-day hire, neither the employee nor the employer jurisdiction is remitting the statutorily required payments to the ERS for funding the 89-day hire individual's pension accumulation.

Q2: Please explain what requirements, restrictions, or retirement-related compliance obligations, if any, apply when a department fills a position with a DM-89 hire.

A2: Jurisdiction employers are obligated to determine the ERS enrollment status for their hires. This is typically done during the on-boarding procedures when hiring employees. If an appointment period is less than 91 days, that position is excluded from ERS membership pursuant to §88-43, HRS, and HAR 6-21-14(2).

When hiring a retiree in an 89-day position, a bona fide break in service and a prohibition on re-employment agreements are required under HRS [§88-9\(d\)\(2\) Employment of Retirants](#). If the employee is already a retirant of the ERS and is returning to work in a position whose appointment is less than 91 days, then the retiree may not have worked for an ERS employer for a continuous 6-month period before their first return to work. Compliance with these requirements must be certified by the retiree and employer using [Form ERS-209 CERTIFICATION WITH REQUIREMENTS FOR EMPLOYMENT OF A RETIRANT](#).

Again, in the 89-day hire situation, neither the jurisdiction employer nor the employee remits any payment or funds to the ERS as part of payroll. This is because the employee is not an ERS member and is not receiving any service credit (years) towards an ERS pension. Conversely, the jurisdiction employer may hire an individual who is a retirant of the ERS into a conventionally established position (i.e., longer than a 90-day appointment, permanent, 50% F.T.E. or more, etc.). However, in this arrangement, the employee would be enrolled as an ERS member and not be allowed to continue collecting their ERS pension while employed, the jurisdiction employer (and likely the employee) would have to remit payments to the ERS for the employee's pension accumulation, the employee would also be earning service credits which would be calculated separately from their pre-existing pension amounts.

Q3: Please explain whether the use, extension, or repeated use of a DM-89 hire for the same position affects retirement-system membership, service credit, employer contributions, benefits eligibility, or any other retirement-related obligation.

A3: The hiring of an individual into an 89-day hire situation should not have any effect on retirement-system membership, because by statute and rule, they are not considered

The Honorable Yuki Lei Sugimura

May 8, 2026

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members of the ERS or eligible for ERS pension benefits when employed in an 89-day appointment. 89-day hire employees do not earn service credits towards ERS pension retirement benefits for their employ as an 89-day hire. Jurisdiction employers utilizing the 89-day hire approach, do not need to remit pension contribution funds for the employee since the 89-day hire employee is not eligible to be a member of the ERS or to earn a pension from their 89-day hire employment. The 89-day hire employee is not eligible for ERS pension benefits for their employment as an 89-day hire.

It is the responsibility of the jurisdiction employer to classify its employees accurately and appropriately under established state laws for civil service and state/county government employment. It is also the responsibility of jurisdiction employers to determine its employee's (fringe) benefits, accurately record keep employment statistics of employees for the duration of their employment and collect and remit payments to the ERS for pension accumulation benefits, if eligible.

I hope these responses have sufficiently addressed your inquiry. Please feel free to contact me at (808) 587-5380 if you have any additional questions or require more information.

Aloha,

A handwritten signature in black ink, appearing to read 'Kalbert K. Young', with a stylized flourish at the end.

Kalbert K. Young
Executive Director