

JAN 19 2024

A BILL FOR AN ACT

RELATING TO INDEBTEDNESS TO THE STATE.

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

1 SECTION 1. Section 78-12, Hawaii Revised Statutes, is
2 amended by amending subsections (e) and (f) to read as follows:
3 "(e) If the indebtedness has occurred as a result of
4 salary or wage overpayment, the disbursing officer shall
5 determine the amount of indebtedness and notify the employee in
6 writing of the indebtedness[+] within sixty days; provided that,
7 to be an actionable cause of action, the determination [~~and~~
8 ~~notice to the employee~~] shall be made within two years from the
9 date of the salary or wage overpayment, and not after. If the
10 employee contests the disbursing officer's determination of
11 indebtedness, the employee may request a hearing pursuant to
12 chapter 91.

13 (f) Regardless of whether a contested determination of
14 indebtedness is pending, the disbursing officer shall commence
15 immediate recovery of the indebtedness as provided in this
16 subsection. [~~If the indebtedness is equal to or less than~~
17 ~~\$1,000, the disbursing officer shall immediately deduct from any~~



1 ~~subsequent periodic payment normally due the employee any amount~~
2 ~~up to the total amount of indebtedness and for indebtedness~~
3 ~~greater than \$1,000, the] The disbursing officer shall deduct:~~

4 (1) An amount agreed to by the employee and the appointing
5 authority, but not less than [~~\$100~~] \$50 per pay
6 period; or

7 (2) [~~One quarter~~] Five per cent of the salary, wages, or
8 compensation due the employee until the indebtedness
9 is repaid in full.

10 In addition to paragraph (1), an employee and the appointing
11 authority may agree to offset any remaining amount of
12 indebtedness by applying the current value of appropriate leave
13 or compensatory time credits posted in the employee's respective
14 accounts as balances that would otherwise be payable in cash
15 upon separation from service; provided that credits shall not be
16 applied to any extent that would require a refund of any moneys
17 already deducted or repaid or that would require the payment of
18 any moneys to the employee equivalent to a cashing out of leave
19 or compensatory time credits."



S.B. NO. 2448

1 SECTION 2. This Act does not affect rights and duties that
2 matured, penalties that were incurred, and proceedings that were
3 begun before its effective date.

4 SECTION 3. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:

 A handwritten signature in black ink, appearing to be 'MJA', is written over a horizontal line.



S.B. NO. 2448

Report Title:

Salary Withheld; Indebtedness to the Government; Payment

Description:

Reduces the time requirement when a disbursing officer shall inform the employee of indebtedness. Reduces the minimum amount owed per pay period from \$100 to \$50 or 5% of the new employee's wages.

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

