



STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
KA 'OIHANA PONO LIMAHAHA

April 1, 2025

To: The Honorable Donovan M. Dela Cruz, Chair,
The Honorable Sharon Y. Moriwaki, Vice Chair, and
Members of the Senate Committee on Ways and Means

The Honorable Karl Rhoads, Chair
The Honorable Mike Gabbard, Vice Chair, and
Members of the Senate Committee on Judiciary

Date: Tuesday, April 1, 2025
Time: 10:00 a.m.
Place: Conference Room 211, State Capitol

From: Jade T. Butay, Director
Department of Labor and Industrial Relations (DLIR)

Re: H.B. 477 HD1 SD1 RELATING TO HAWAII EMPLOYMENT SECURITY LAW

I. OVERVIEW OF PROPOSED LEGISLATION

The **DLIR strongly supports** this measure, which includes language to address a Hawaii Supreme Court ruling and makes amendments designed to facilitate the current UI modernization project. The DLIR respectfully requests an effective date July 1, 2025.

This measure proposes to amend Chapter 383, Hawaii Revised Statutes (HRS) by the following:

- Amending the definition of “registered for work” in Section 383-29, HRS,
- Clarifying the circumstances in which individuals were required to register for work,
- Allowing for electronic notifications for unemployment claim determinations, appeals, and hearing notices,
- Specifying that the electronic notification date is the equivalent of a mailing date,
- Removing the option that allows for joint experience rating,
- Permitting claimants to change their tax withholdings more than once; and
- Removing and updating various statutory provisions.

II. CURRENT LAW

§ 383-1 defines “registered for work” and “registration for work.”

§ 383-12 specifies that an individual is required to post information that would be used for job matching on the Department’s internet job matching system.

§ 383-29 specifies the circumstances in which individuals are required to register for work on the Department’s internet job matching system.

§ 383-36, requires that unemployment insurance determinations and redeterminations be sent to parties by mail at their last known address.

§ 383-38 requires that appeals from unemployment insurance determinations or redeterminations be filed within ten days of after the mailing and provides for the option of electronic notification for unemployment insurance appeal documents only.

§ 383-66(a)(6) allows the Department to prescribe rules for the establishment, maintenance, and dissolution of joint accounts.

§ 383-163.6 permits an individual to change a previously elected withholding status once during their claim’s benefit year.

III. COMMENTS ON THE HOUSE BILL

The Department strongly supports this measure and respectfully requests that the effective date be amended to July 1, 2025.

The overall bill lays the foundation for transitioning to a modernized unemployment insurance system while improving services for individuals. By streamlining the process for individuals to register for work, the measure addresses existing delays and denials caused by system navigation challenges. This enhanced process not only improves the current system but also facilitates auto-registration for work in the future modernized system.

Furthermore, enabling the electronic delivery of unemployment insurance documents and appeal notifications ensures secure, faster, and more accessible communication for individuals and reduces dependency on traditional paper and mail processes. By specifying that the electronic notification date will be treated as equivalent to the mailing date, the measure also resolves complications stemming from a Hawaii Supreme Court ruling requiring certification of mailing dates for notices and decisions. This clarification strengthens the legal and operational framework necessary for a modernized system.

Additionally, allowing individuals to adjust their tax withholding multiple times enhances flexibility and responsiveness to changing financial circumstances and improves user experience.

For these reasons, the Department urges strong support for this measure, which addresses modernizing and strengthening Hawaii's unemployment insurance system, improves efficiency, and promotes fairness for all stakeholders.



**International Union of Painters and Allied Trades
District Council 50**

March 28, 2025

Senator Donovan Dela Cruz, Chair
Senate Committee on Labor and Technology
415 South Beretania Street, Rm 204

Senator Karl Rhoades, Chair
Senate Committee on Judiciary
415 South Beretania Street, Rm 228

Re: House Bill 477, HD1, SD1
(Relating to The Hawaii Employment Security Law)
Hearing Date: April 1, 2025
Time: 10:00 a.m.

Chairs Dela Cruz, Rhoades and Committee Members:

Thank you for hearing this bill and for this opportunity to testify in **support** of House Bill 477, HD1, SD1.

The International Union of Painters and Allied trades, District Council 50, is an organization that consists of five (5) local unions: the Painters, Local 1971; the Glaziers Architectural and Glass Metal Workers, Local 1889; the Carpet Linoleum and Soft Tile, Local 1926; the Drywall, Tapers Finishers, Local 1944; and the Pearl Harbor Metal Trades Specialty Workers, Local 1941 – in all, approximately two thousand (2000) members statewide.

Section 1 of the bill could go a long way to help workers and their families maintain economic security during a labor dispute. Section 1 will help level the playing field between workers and employers, thereby encouraging fair negotiations between them when bargaining a new contract.

Thank you again for this opportunity to voice our **support** for this measure.

2240 Young Street
Honolulu, HI 96826

Phone
808.941.0991

Fax
808.955.9091

Email
info@dc50.org

Website
www.dc50.org

PAINTERS
808.941.0991

GLAZIERS,
ARCHITECTURAL
METAL AND
GLASSWORKERS
808.946.3329

CARPET, LINOLEUM
AND SOFT TILE
808.942.3988

DRYWALL, TAPERS,
FINISHERS
808.946.6621

**Testimony to the Senate Committee on Ways and Means
Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair**

**Testimony to the Senate Committee on Judiciary
Senator Karl Rhoads, Chair
Senator Mike Gabbard, Vice Chair**

**Tuesday, April 1, 2025, at 10:00AM
Conference Room 211 & Videoconference**

RE: HB477 HD1 SD1 Relating to the Hawaii Employment Security Law

Aloha e Chairs Dela Cruz, Rhoads, and Members of the Committees:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber offers the following comments on House Bill 477 House Draft 1 Senate Draft 1 (HB477 HD1 SD1), which amends the definition of "registered for work" or "registration for work" under the Hawai'i Employment Security Law. Repeals the requirement to post work availability online. Amends the qualifications for unemployed individuals who are able to receive certain unemployment benefits. Beginning 4/1/2027, permits electronic notification of determinations or redeterminations of unemployment claims. Repeals language that limited an individual's ability to change a previously elected withholding status to once during a benefit year.

The proposed bill amends key unemployment compensation provisions, but its convoluted language and ambiguous terms raise serious concerns. For example, Section 1(a)(2)(E) states that "an unemployed individual shall be eligible to receive benefits... only if the department finds that: Individuals who are suspended from work and for whom an employer-employee relationship continues to exist; provided that the waiver shall apply only to the period of suspension and shall not exceed more than four consecutive weeks of unemployment immediately following the week in which the individual was suspended." This language explicitly allows suspended employees to receive benefits, potentially leading to confusion and misuse of unemployment services.

In addition to this, the measure's overall amendments—including changes to work registration, work search requirements, and appeal processes—are densely worded and risk imposing unnecessary administrative burdens on claimants and employers alike. These complexities could lead to inconsistent interpretations and hinder the effective administration of benefits, ultimately harming both the intended beneficiaries and the broader labor market.

The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.

Thank you for the opportunity to provide comments.



SB 716, HD2, Relating to Hawaii Unemployment Security Law

HB 477, HD1, Relating to the Hawaii Unemployment Security Law

HB 202, HD1, Relating to the Adequate Reserve Fund

The Society for Human Resource Management – Hawaii (“SHRM Hawaii”) respectfully opposes SB 716, HB 477, and HB 202. We strongly believe that a comprehensive approach should be taken when considering changes that impact Hawaii’s unemployment insurance fund.

As human resource management professionals, we are in an optimal position to understand that the critical role that the Unemployment Insurance Fund plays in supporting workers who experience job loss through no fault of their own. The fund provides a necessary safety net, ensuring that displaced employees can meet basic needs while seeking new employment. At the same time, it is a system funded by employer contributions, which means any changes to its structure must be carefully considered to maintain fairness and sustainability.

We are concerned about any effort to expand eligibility for UI benefits to cover periods in which employees are on strike. SHRM Hawaii has previously testified that such a change would be an inappropriate use of the UI fund. The fundamental principle underlying UI eligibility is that benefits are available only when work is not available through no fault of the employee. A strike, by its very nature, involves a voluntary work stoppage where work is available but is declined in pursuit of other objectives. Allowing UI benefits in this context would fundamentally alter the character of the fund and raise serious questions about its appropriate use.

Moreover, determinations about the legitimacy of a strike—whether it is protected, lawful, or supported by a bona fide bargaining impasse—are squarely within the jurisdiction of the National Labor Relations Board (NLRB) and the Hawaii Labor Relations Board (HLRB). The Department of Labor and Industrial Relations (DLIR) and UI administrators should not be placed in the inappropriate position of second-guessing or supplanting those determinations. Employers should not be compelled to subsidize work stoppages that may directly undermine their bargaining positions or extend labor disputes unnecessarily.

We are also concerned about increases to Hawaii’s unemployment tax via the “adequate reserve fund.” As written, the new definition would increase tax rates by 25% in 2026 and 50% for 2027 and thereafter. This change would have far-reaching impacts on Hawaii’s businesses and residents. Yet currently there is limited explanation as to why this change is necessary.



Legislators should not pass bills that alter the fund's requirements, benefits, or employer contribution rates without a thorough and data-driven evaluation of its long-term utilization. A fragmented approach—where individual bills modify the system without a comprehensive financial and economic analysis—risks undermining the fund's stability. Employers, particularly small businesses, are still recovering from economic uncertainty, and sudden or unbalanced changes to UI rates could lead to unintended consequences, such as increased costs that hinder job creation and business growth.

Instead, we urge the legislature to take a holistic look at the UI Fund's financial health, including trends in unemployment claims, the fund's solvency, and the impact of past policy changes. Any proposed modifications should be considered as part of a broader effort to ensure the system remains strong for both workers and businesses alike.

SHRM Hawaii represents 900+ human resource management professionals who are its members and employers' statewide. Human resource management is a critical component to the success and survival of the many businesses that make up our local economy. We look forward to contributing positively to the development of sound public policy and continuing to serve as a resource to the legislature on matters related to labor and employment laws. Thank you for this opportunity to provide testimony.

Erin Kogen and Rosanne M. Nolan
Co-chairs, SHRM Hawaii Legislative Affairs Committee



SHRM Hawaii, P. O. Box 3175, Honolulu, Hawaii (808) 447-1840