JADE T. BUTAY DIRECTOR

WILLIAM G. KUNSTMAN DEPUTY DIRECTOR



STATE OF HAWAI'I KA MOKU'ĀINA O HAWAI'I DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS KA 'OIHANA PONO LIMAHANA

January 29, 2025

To: The Honorable Henry J.C. Aquino, Chair,

The Honorable Chris Lee, Vice Chair, and

Members of the Senate Committee on Labor and Technology

Date: Wednesday, January 29, 2025

Time: 3:00 p.m.

Place: Conference Room 224, State Capitol

From: Jade T. Butay, Director

Department of Labor and Industrial Relations (DLIR)

Re: S.B. 716 RELATING TO HAWAII EMPLOYMENT SECURITY LAW

I. OVERVIEW OF PROPOSED LEGISLATION

The **DLIR strongly supports** this measure which proposes to amend Chapter 383, Hawaii Revised Statutes (HRS) by the following:

- Modifying the process for individuals to register for work on the Department's internet job matching system;
- 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;
- Permitting claimants to change their tax withholdings more than once; and
- Removing and updating various statutory provisions.

The Department strongly supports this measure and respectfully requests a housekeeping amendment.

II. CURRENT LAW

Section 383-1, HRS, defines "registered for work" and "registration for work."

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

Section 383-29, HRS, specifies the circumstances in which individuals are required to register for work on the Department's internet job matching system.

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

Section 383-38, HRS, 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.

Section 383-163.6, HRS, permits an individual to change a previously elected withholding status once during their claim's benefit year.

III. COMMENTS ON THE SENATE BILL

The Department strongly supports this measure as it lays the foundation for transitioning to a modernized unemployment insurance system while improving services for individuals. By streamlining the process for individuals to register on the Department's job-matching system, the measure addresses existing delays and denials caused by system navigation challenges. This enhanced process improves the current system and also facilitates the auto-registration for work registration 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.

Lastly, the Department respectfully requests a housekeeping amendment on page 13, line 2, revising the sentence to read: "pursuant to this subsection." This amendment ensures clarity and consistency within the measure.