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# A BILL FOR AN ACT

RELATING TO SALARY PAY PERIODS.

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

1 SECTION 1. Section 78-13, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 **"§78-13 Salary periods.** (a) Unless otherwise provided by  
4 law, all officers and employees shall be paid at least  
5 semimonthly except that substitute teachers, part-time hourly  
6 rated teachers of adult and evening classes, and other  
7 part-time, intermittent, or casual employees may be paid once a  
8 month [~~and that the governor, upon reasonable notice and upon~~  
9 ~~determination that the payroll payment basis should be converted~~  
10 ~~from predicted payroll to after the fact payroll, may allow a~~  
11 ~~one-time once a month payroll payment to all public officers and~~  
12 ~~employees to effect a conversion to after the fact payroll as~~  
13 ~~follows:~~

14 ~~(1) The implementation of the after the fact payroll will~~  
15 ~~commence with the June 30, 1998, pay day, which will~~  
16 ~~be delayed to July 1, 1998;~~

17 ~~(2) The July 15, 1998, pay day will be delayed to~~  
18 ~~July 17, 1998;~~



- 1       ~~(3) The July 31, 1998, pay day will be delayed to~~
- 2           ~~August 3, 1998;~~
- 3       ~~(4) The August 14, 1998, pay day will be delayed to~~
- 4           ~~August 19, 1998;~~
- 5       ~~(5) The August 31, 1998, pay day will be delayed to~~
- 6           ~~September 4, 1998;~~
- 7       ~~(6) The September 15, 1998, pay day will be delayed to~~
- 8           ~~September 18, 1998; and~~
- 9       ~~(7) Thereafter, pay days will be on the fifth and the~~
- 10           ~~twentieth of every month. If the fifth and the~~
- 11           ~~twentieth fall on a state holiday, Saturday, or~~
- 12           ~~Sunday, the pay day will be the immediately preceding~~
- 13           ~~weekday.~~
- 14       ~~The implementation of the after-the-fact payroll shall not be~~
- 15       ~~subject to negotiation under chapter 89.~~
- 16       ~~(b) If an employee has been working for the State for at~~
- 17       ~~least six months, has no paid leave accumulated, and has an~~
- 18       ~~existing salary overpayment balance:~~
- 19           ~~(1) The employee may be paid the employee's salary on the~~
- 20           ~~same pay dates and for the same pay periods as non-~~
- 21           ~~salaried employees.~~

1       ~~(2) Upon accumulation of eighty hours of paid leave, the~~  
2           ~~employee shall be paid the employee's salary on the~~  
3           ~~same pay dates and for the same pay periods as~~  
4           ~~salaried employees.~~

5       ~~(c) If an employee has been working for the State for at~~  
6       ~~least six months and has had at least two incidents of leave~~  
7       ~~which results in salary overpayment within the past six months:~~

8           ~~(1) The employee may be paid the employee's salary on the~~  
9           ~~same pay dates and for the same pay period as non-~~  
10          ~~salaried employees.~~

11          ~~(2) If there are no incidents of leave which result in~~  
12          ~~salary overpayment for a subsequent four-month period,~~  
13          ~~the employee shall be paid the employee's salary on~~  
14          ~~the same pay dates and for the same pay periods as~~  
15          ~~salaried employees.~~

16       ~~(d) The implementation of subsections (b) and (c) shall~~  
17       ~~not be subject to negotiation under chapter 89.~~

18       ~~(e) All employees, except those belonging to bargaining~~  
19       ~~units 5 and 7, hired on or after July 1, 1998, shall be paid on~~  
20       ~~the same pay dates and for the same pay periods as non-salaried~~  
21       ~~employees]. The payroll payment basis shall be converted from~~

1 after-the-fact payroll to predicted payroll. Paydays shall be  
2 on the first and the sixteenth of every month."

3 SECTION 2. Statutory material to be repealed is bracketed  
4 and stricken. New statutory material is underscored.

5 SECTION 3. This Act shall take effect on July 1, 2006 and  
6 shall apply to payrolls starting on September 1, 2006.

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INTRODUCED BY: Therese Chun Oakland

John L. G.

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Clara K. Fickler



SB. NO. 2624

**Report Title:**

Payroll Lag; Elimination

**Description:**

Eliminates the state payroll lag; restores paychecks to being issued on the first and sixteenth of each month.

