
A BILL FOR AN ACT

RELATING TO EMPLOYMENT SECURITY.

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

1 SECTION 1. Section 383-22, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) In the case of an individual whose benefit year
4 begins prior to January 5, 1992, the individual's weekly benefit
5 amount shall be, except as otherwise provided in this section,
6 an amount equal to one twenty-fifth of the individual's total
7 wages for insured work paid during the calendar quarter of the
8 individual's base period in which such total wages were highest.

9 In the case of an individual whose benefit year begins after
10 January 4, 1992, the individual's weekly benefit amount shall
11 be, except as otherwise provided in this section, an amount
12 equal to one twenty-first of the individual's total wages for
13 insured work paid during the calendar quarter of the
14 individual's base period in which such total wages were
15 highest. The weekly benefit amount, if not a multiple of \$1,
16 shall be computed to the next higher multiple of \$1. If an
17 individual's weekly benefit amount is less than \$5, it shall be
18 \$5. The maximum weekly benefit amount shall be determined



1 annually as follows: On or before November 30 of each year the
2 total remuneration paid by employers, as reported on
3 contribution reports submitted on or before such date, with
4 respect to all employment during the four consecutive calendar
5 quarters ending on June 30 of the year shall be divided by the
6 average monthly number of individuals performing services in the
7 employment during the same four calendar quarters as reported on
8 the contribution reports. The amount thus obtained shall be
9 divided by fifty-two and the average weekly wage (rounded to the
10 nearest cent) thus determined. For benefit years beginning
11 prior to January 1, 1992, two-thirds of the average weekly wage
12 shall constitute the maximum weekly benefit amount and shall
13 apply to all claims for benefits filed by an individual
14 qualifying for payment at the maximum weekly benefit amount in
15 the benefit year commencing on or after the first day of the
16 calendar year immediately following the determination of the
17 maximum weekly benefit amount. For benefit years beginning
18 January 1, 1992, [~~and thereafter,~~] but prior to January 1, 2008
19 and beginning again on January 1, 2011, seventy per cent of the
20 average weekly wage shall constitute the maximum weekly benefit
21 amount and shall apply to all claims for benefits filed by an
22 individual qualifying for payment at the maximum weekly benefit



1 amount in the benefit year commencing on or after the first day
 2 of the calendar year immediately following the determination of
 3 the maximum weekly benefit amount. For benefit years beginning
 4 January 1, 2008 and ending December 31, 2010, seventy-five per
 5 cent of the average weekly wage shall constitute the maximum
 6 weekly benefit amount and shall apply to all claims for benefits
 7 filed by an individual qualifying for payment at the maximum
 8 weekly benefit amount in the benefit year commencing on or after
 9 the first day of the calendar year immediately following the
 10 determination of the maximum weekly benefit amount. The maximum
 11 weekly benefit amount, if not a multiple of \$1, shall be
 12 computed to the next higher multiple of \$1.

13	(Column A)	(Column B)	(Column C)	(Column D)
14	High	Basic	Minimum	Maximum
15	Quarter	Weekly	Qualifying	Total Benefits
16	Wages	Benefit	Wages	in Benefit Year
17	\$ 37.50 - 125.00	\$ 5.00	\$ 150.00	\$ 130.00
18	125.01 - 150.00	6.00	180.00	156.00
19	150.01 - 175.00	7.00	210.00	182.00
20	175.01 - 200.00	8.00	240.00	208.00
21	200.01 - 225.00	9.00	270.00	234.00



1	225.01 - 250.00	10.00	300.00	260.00
2	250.01 - 275.00	11.00	330.00	286.00
3	275.01 - 300.00	12.00	360.00	312.00
4	300.01 - 325.00	13.00	390.00	338.00
5	325.01 - 350.00	14.00	420.00	364.00
6	350.01 - 375.00	15.00	450.00	390.00
7	375.01 - 400.00	16.00	480.00	416.00
8	400.01 - 425.00	17.00	510.00	442.00
9	425.01 - 450.00	18.00	540.00	468.00
10	450.01 - 475.00	19.00	570.00	494.00
11	475.01 - 500.00	20.00	600.00	520.00
12	500.01 - 525.00	21.00	630.00	546.00
13	525.01 - 550.00	22.00	660.00	572.00
14	550.01 - 575.00	23.00	690.00	598.00
15	575.01 - 600.00	24.00	720.00	624.00
16	600.01 - 625.00	25.00	750.00	650.00
17	625.01 - 650.00	26.00	780.00	676.00
18	650.01 - 675.00	27.00	810.00	702.00
19	675.01 - 700.00	28.00	840.00	728.00
20	700.01 - 725.00	29.00	870.00	754.00
21	725.01 - 750.00	30.00	900.00	780.00
22	750.01 - 775.00	31.00	930.00	806.00



1	775.01 - 800.00	32.00	960.00	832.00
2	800.01 - 825.00	33.00	990.00	858.00
3	825.01 - 850.00	34.00	1020.00	884.00
4	850.01 - 875.00	35.00	1050.00	910.00
5	875.01 - 900.00	36.00	1080.00	936.00
6	900.01 - 925.00	37.00	1110.00	962.00
7	925.01 - 950.00	38.00	1140.00	988.00
8	950.01 - 975.00	39.00	1170.00	1014.00
9	975.01 -1000.00	40.00	1200.00	1040.00
10	1000.01 -1025.00	41.00	1230.00	1066.00
11	1025.01 -1050.00	42.00	1260.00	1092.00
12	1050.01 -1075.00	43.00	1290.00	1118.00
13	1075.01 -1100.00	44.00	1320.00	1144.00
14	1100.01 -1125.00	45.00	1350.00	1170.00
15	1125.01 -1150.00	46.00	1380.00	1196.00
16	1150.01 -1175.00	47.00	1410.00	1222.00
17	1175.01 -1200.00	48.00	1440.00	1248.00
18	1200.01 -1225.00	49.00	1470.00	1274.00
19	1225.01 -1250.00	50.00	1500.00	1300.00
20	1250.01 -1275.00	51.00	1530.00	1326.00
21	1275.01 -1300.00	52.00	1560.00	1352.00
22	1300.01 -1325.00	53.00	1590.00	1378.00



1 1325.01 -1350.00 54.00 1620.00 1404.00

2 1350.01 and over 55.00 1650.00 1430.00"

3 SECTION 2. Section 383-23, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "**§383-23 Weekly benefit for unemployment.** For weeks
6 beginning prior to January 5, 1992, each eligible individual who
7 is unemployed, as defined in section 383-1, in any week shall be
8 paid with respect to that week a benefit in an amount equal to
9 the individual's weekly benefit amount less that part of the
10 wages (if any) payable to the individual with respect to that
11 week which is in excess of \$2. Effective for weeks beginning
12 January 5, 1992, and thereafter, each eligible individual who is
13 unemployed, as defined in section 383-1, in any week shall be
14 paid with respect to that week a benefit in an amount equal to
15 the individual's weekly benefit amount less that part of the
16 wages (if any) payable to the individual with respect to that
17 week which is in excess of \$50. Effective for weeks beginning
18 January 1, 2008, and thereafter, each eligible individual who is
19 unemployed, as defined in section 383-1, in any week shall be
20 paid with respect to that week a benefit in an amount equal to
21 the individual's weekly benefit amount less that part of the
22 wages, if any, payable to the individual with respect to that



1 week which is in excess of \$150. The benefit, if not a multiple
2 of \$1, shall be computed to the next higher multiple of \$1."

3 SECTION 3. Section 383-61, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "(c) For the calendar year 1991 only, the term "wages"
6 does not include remuneration in excess of \$7,000 paid with
7 respect to employment to an individual by an employer. For
8 calendar years 2008, 2009, and 2010 only, the term "wages" as
9 used in this part does not include remuneration in excess of
10 \$13,000 paid with respect to employment to an individual by an
11 employer so long as the balance of the unemployment trust fund
12 does not fall below the adequate reserve fund as specified by
13 section 383-63, HRS."

14 SECTION 4. Section 383-63, Hawaii Revised Statutes, is
15 amended by amending the definition of "adequate reserve fund" to
16 read as follows:

17 "Adequate reserve fund" means an amount that is equal to
18 the amount derived by multiplying the benefit cost rate that is
19 the highest during the ten-year period ending on November 30 of
20 each year by the total remuneration paid by all employers, with
21 respect to all employment for which contributions are payable
22 during the last four calendar quarters ending on June 30 of the



1 same year, as reported on contribution reports filed on or
2 before October 31 of the same year. "Remuneration", as used in
3 this definition, means wages as defined in section 383-10. For
4 the purpose of determining the highest benefit cost rate, the
5 benefit cost rate for the first twelve-consecutive-calendar-
6 month period beginning with the first day of the first month of
7 the ten-year period and for each succeeding twelve-consecutive-
8 calendar-month period beginning with the first day of each
9 subsequent month shall be computed.

10 Effective for the calendar year [~~1992~~] 2011 and thereafter,
11 "adequate reserve fund" means an amount that is equal to one and
12 one-half times the amount derived by multiplying the benefit
13 cost rate that is the highest during the ten-year period ending
14 on November 30 of each year by the total remuneration paid by
15 all employers, with respect to all employment for which
16 contributions are payable during the last four calendar quarters
17 ending on June 30 of the same year, as reported on contribution
18 reports filed on or before October 31 of the same year.

19 "Remuneration", as used in this definition, means wages as
20 defined in section 383-10. For the purpose of determining the
21 highest benefit cost rate, the benefit cost rate for the first
22 twelve-consecutive-calendar-month period beginning with the



1 first day of the first month of the ten-year period and for each
2 succeeding twelve-consecutive-calendar-month period beginning
3 with the first day of each subsequent month shall be computed."

4 SECTION 5. The Department of Labor and Industrial
5 Relations shall provide a study to the legislature no later than
6 20 days prior to the opening of the 2011 legislative session
7 detailing the effect of this bill on the unemployment
8 compensation fund. The study shall include but not be limited
9 to:

- 10 (1) The effects of the temporary increase in benefits
11 under section 1 of this bill;
- 12 (2) The lowering of the adequate reserve from 18 months to
13 12 months under section 4 of this bill on the ability
14 of the fund to recover without depletion of the
15 reserves, in the event of a significant rise of the
16 unemployment rate;
- 17 (3) The report will provide recommendations to the
18 legislature as whether or not to make section 1 and
19 section 4 of this legislation permanent;
- 20 (4) The report will provide historical data and
21 information of the unemployment compensation fund,



1 including an economic analysis of the fund adequacy
2 from 1970 to present;

3 (5) The report will include an evaluation of the economic
4 trends from 1970 and its potential effects on the
5 solvency and adequacy of the unemployment fund;

6 (6) The report will provide recommendations to the
7 legislature as whether or not to make section 1 and
8 section 4 of this legislation permanent.

9 SECTION 6. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 7. This Act shall take effect on January 1, 2008.



REPORT Title:

Employment Security

Description:

Raises the maximum weekly unemployment benefit to 80% of the average weekly wage. Changes employer's contribution rates for the fiscal year 2007-2008 to 65% of amount and thereafter to 75% of the amount. Reduces adequate reserve fund amount after 2007.
(HB1500 HD2 SD1)

