
A BILL FOR AN ACT

RELATING TO WORKERS' COMPENSATION.

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

1 SECTION 1. Section 386-1, Hawaii Revised Statutes, is
2 amended by amending the definition of "employment" to read as
3 follows:

4 ""Employment" means any service performed by an individual
5 for another person under any contract of hire or apprenticeship,
6 express or implied, oral or written, whether lawfully or
7 unlawfully entered into. It includes service of public
8 officials, whether elected or under any appointment or contract
9 of hire express or implied.

10 "Employment" does not include the following service:

11 (1) Service for a religious, charitable, educational, or
12 nonprofit organization if performed in a voluntary or
13 unpaid capacity;

14 (2) Service for a religious, charitable, educational, or
15 nonprofit organization if performed by a recipient of
16 aid therefrom and the service is incidental to or in
17 return for the aid received;



- 1 (3) Service for a school, college, university, college
2 club, fraternity, or sorority if performed by a
3 student who is enrolled and regularly attending
4 classes and in return for board, lodging, or tuition
5 furnished, in whole or in part;
- 6 (4) Service performed by a duly ordained, commissioned, or
7 licensed minister, priest, or rabbi of a church in the
8 exercise of the minister's, priest's, or rabbi's
9 ministry or by a member of a religious order in the
10 exercise of nonsecular duties required by the order;
- 11 (5) Service performed by an individual for another person
12 solely for personal, family, or household purposes if
13 the cash remuneration received is less than \$225
14 during the current calendar quarter and during each
15 completed calendar quarter of the preceding twelve-
16 month period;
- 17 (6) Domestic, which includes attendant care, and day care
18 services authorized by the department of human
19 services under the Social Security Act, as amended,
20 performed by an individual in the employ of a
21 recipient of social service payments;



1 (7) Service performed without wages for a corporation
2 without employees by a corporate officer in which the
3 officer is at least a twenty-five per cent
4 stockholder;

5 ~~[(8) Service performed by an individual for a corporation~~
6 ~~if the individual owns at least fifty per cent of the~~
7 ~~corporation; provided that no employer shall require~~
8 ~~an employee to incorporate as a condition of~~
9 ~~employment; and]~~

10 (8) Service performed by an individual who holds an
11 ownership interest of more than fifty per cent in the
12 employing unit, including, but not limited to,
13 corporations, partnerships, limited liability
14 companies, and limited liability partnerships;
15 provided that:

16 (A) The individual elects to be excluded from
17 coverage under this chapter and files an
18 application with the director;

19 (B) The election for exclusion shall be irrevocable
20 for five years;



1 (C) The individual presents to the director proof
2 that the individual has paid federal unemployment
3 insurance taxes as required by federal law; and

4 (D) The election to be excluded from coverage shall
5 take effect on the first day of the calendar
6 quarter in which the application and all
7 substantiating documents requested by the
8 director are filed with the director; and

9 (9) Service performed by an individual for another person
10 as a real estate salesperson or as a real estate
11 broker, if all the service performed by the individual
12 for the other person is performed for remuneration
13 solely by way of commission.

14 As used in this paragraph "religious, charitable, educational,
15 or nonprofit organization" means a corporation, unincorporated
16 association, community chest, fund, or foundation organized and
17 operated exclusively for religious, charitable, or educational
18 purposes, no part of the net earnings of which inure to the
19 benefit of any private shareholder or individual."

20 SECTION 2. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.

1 SECTION 3. This Act shall take effect upon its approval.

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Report Title:

Workers' Compensation

Description:

Exempts from the workers' compensation law owners of businesses holding at least 50% interest in their company.

