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AUDREY HIDANO DEPUTY DIRECTOR



## STATE OF HAWAII DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS 830 PUNCHBOWL STREET, ROOM 321

HONOLULU, HAWAII 96813 www.hawaii.gov/labor Phone: (808) 586-8842 / Fax: (808) 586-9099 Email: dlir.director@hawaii.gov

March 30, 2011

To:

The Honorable Marcus Oshiro, Chair

and Members of the House Committee on Finance

Date:

Thursday, March 31, 2011

Time:

2:00 p.m.

Place:

Conference Room 308, State Capitol

From:

Dwight Y. Takamine, Director

Department of Labor and Industrial Relations

#### Re: S.B. No. 1076, S.D. 1, H.D. 2 Relating to Employment Practices

#### I. OVERVIEW OF PROPOSED LEGISLATION

S.B. 1076, S.D. 1, H.D. 1 proposes to add a new protected class of workers under the Unlawful Suspension or Discharge Law, Chapter 378-Part III, by adding a new section making it unlawful for employers and labor organizations to bar, discharge from employment, withhold pay from, or demote an employee because an employee used accrued and available sick leave provided by the employer. Authorizes an employer to require written verification from a physician after three or more consecutive days of sick leave.

Applies only to employers who are part of a collective bargaining agreement and have 100 or more employees.

This law will take effect July 1, 2011.

#### II. CURRENT LAW

There is currently no provision in the law that requires employers to provide sick leave outside Temporary Disability Laws.

Chapter 378, HRS, Part III, prohibits employers from unlawfully suspending, discharging or discriminating against an employee for four things: 1) solely because the employer was summoned as a garnishee in an employee's proceedings under Chapter XIII of the

S.B. 1076, H.D. 2 March 30, 2011 Page 2

Bankruptcy Act; 2) solely because the employee suffered a work injury that was compensable under the Workers Compensation Law, Chapter 386, HRS, 3) because the employee testified or was subpoenaed to testify in a proceeding under Part III, or 4) because an employee tested positive for the presence of drugs, alcohol, or the metabolites of drugs in a substance abuse on-site screening test conducted in accordance with section 329B-5.5.

#### III. SENATE BILL

DLIR supports this measure, but it is unclear how the workload of the hearings branch of Wage Standards Division will be able to handle this additional responsibility with the limited resources currently in the Wage Standards Division. However, should the legislature pass this measure the Department will do its best to carry out the responsibilities required by the law.



## Labor Caucus

#### **Testimony of Steven Canales**

Representing the

Labor Caucus of the Democratic Party of Hawaii

1050 AlaMoana Blvd. D-28

Honolulu, Hi. 96814

In Strong Support of SB1076, SD1, HD2

Before the House: Committee on Finance Thursday, Mar.31, 2011 2:00 PM, Conference Room 308

Aloha Chair Marcus Oshiro, Vice-Chair Lee and Committee Members,

My name is Steven Canales; I am the Chair of the Labor Caucus of the Democratic Party.

The Labor Caucus, **Strongly Supports S.B. 1076**, **SD1**, **HD2**, which makes it unlawful for any employer or labor organization with more than one hundred employees and a collective bargaining agreement to bar or discharge from employment, withhold pay from, or demote an employee solely because the employee uses accrued and available sick leave, except if the employee is unable to fulfill the essential job functions or requirements of the employee's position. Reinforces that the employer must still comply with all federal, state, and local laws providing for protected leave, including the Family and Medical Leave Act of 1993, Public Law 103-3, as amended; Chapter 398; relating to family leave; Chapter 392, relating to Hawaii temporary disability insurance law; and Chapter 386, workers' compensation law.

Employees should not fear discipline or the chance of losing their Jobs solely because they got sick. S.B. 1076 will protect employees from being disciplined for taking legitimate sick leave.  $\square$ 

Therefore the Labor Caucus of the Democratic Party **strongly Supports SB 1076**, **SD1**, **HD2**.

Thank you for this opportunity to testify.

Steven Canales, Chair

Labor Caucus of the Democratic Party



1200 Ala Kapuna Street x Honolulu, Hawaii 95819 Tel: (808) 833-2711 x Fax: (808) 839-7106 v Web: www.hsta.org

> WII Okabe President Karolyn Mossman Vice President Joan Kamila Lewis Secretary-Treasurer Alvin Nagasako Executive Director

## TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

RE: SB 1076, SD1, HD2 -- RELATING TO EMPLOYMENT PRACTICES.

March 31, 2011

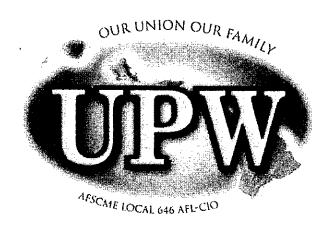
WIL OKABE, PRESIDENT HAWAII STATE TEACHERS ASSOCIATION

Chair Oshiro, and Members of the Committee:

The Hawaii State Teachers Association supports the purpose and intent of SB 1076, SD1, HD2, that makes it an unlawful practice for any employer or labor organization to bar or discharge from employment, withhold pay from, or demote an employee because the employee legitimately uses accrued and available sick leave in accordance with the employer's attendant and negotiated sick leave policies.

We further support that employers should comply with all federal, state, and county laws providing for protected leave, including the Family and Medical Leave Act of 1993, Public Law 103-3, as amended; chapter 398, relating to family leave; chapter 392, relating to Hawaii temporary disability insurance law; and chapter 386, the workers compensation law; and that nothing should supersede any provision of any collective bargaining agreement or employment benefits program or plan that provides great employee benefits.

Thank you for the opportunity to testify.



# Twenty-Sixth Legislature, State of Hawaii COMMITTEE ON FINANCE Hearing Date: March 31, 2011

**Testimony By United Public Workers** 

Re: SB 1076, SD1, HD2(HSCR1200) - RELATING TO EMPLOYMENT PRACTICES

My name is Dayton M. Nakanelua and I am the State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO. The UPW is the exclusive bargaining representative for public employees in bargaining Unit 1 blue collar non-supervisory and Unit 10 institutional, health and correctional facilities.

The United Public Workers support S.B. 1076, SD1, HD2 which makes it unlawful for any employer or labor organization with more than one hundred employees and a collective bargaining agreement to bar or discharge from employment, withhold pay from, or demote an employee because the employee uses accrued and available sick leave, except if the employee is unable to fulfill the essential job functions or requirements of the employee's position. This bill also reinforces that the employer must comply with all federal, state and local laws protecting employees.

We urge the Committee on Finance to pass S.B. 1076, SD1, HD2.

Thank you for the opportunity to testify in support.





Edwin D. Hill
International President

Lindell K. Lee
International Secretary - Treasurer

Michael Mowrey
International Vice President

Ninth District

The House of Representatives Twenty-Sixth Legislature Regular Session of 2011

**COMMITTEE ON FINANCE** 

Rep. Marcus R. Oshiro, Chair Rep. Marilyn B. Lee, Vice Chair

Hearing: Thursday, March 31, 2011

Time: 2:00 p.m.

Place: Conference Room 308

## TESTIMONY OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS (IBEW)

RE: SB 1076, SD1, HD2 RELATING TO EMPLOYMENT PRACTICES.

SB 1076, SD1, HD2 would make it unlawful for any employer to discipline an employee because their employee legitimately uses accrued and available sick leave benefits.

#### The IBEW strongly supports this measure.

Today, all too often, many of Hawaii's employers are harassing, intimidating, suspending and even terminating employees who are legitimately ill for utilizing their accrued and available sick leave benefits under the guise of a "no fault attendance policy". It is ridiculous, immoral and unethical for an employer to offer sick leave benefits to employees and then turn around and discipline employees who are sick and attempt to utilize their sick leave.

Not only is this type of bait-and-switch behavior by employers ridiculous, immoral and unethical, it also poses a great danger and safety concern to the public for the spread of infectious viruses and disease (H1N1) when workers who are legitimately ill are forced to come to work because of fear of being disciplined under these type of unjust, inhumane, punitive policies.

Please understand that nothing in this bill encourages sick leave abuse or minimizes the employer's rights to guard against abuse. The employer still would have full authority and ability to discipline, to include termination, any employee who is found abusing their sick leave benefit.

This bill is about one thing.....Protecting Hawaii's legitimately ill employees from unscrupulous employers who seek to penalize them for being sick and utilizing their available benefit.

We ask for quick passage of SB 1076, SD1, HD2.

Thank you for the opportunity to provide testimony.

Harold J. Dias, Jr

International Representative

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**IBEW** 



Local Union 1260

#### International Brotherhood of Electrical Workers

2305 So. Beretania St. • Honolulu, Hawaii 96826-1494 • email: office@ibew1260.org Telephone (808) 941-9445 Fax No. (808) 946-1260

LANCE M. MIYAKE
Business Manager-Financial Secretary

LOREN TAGUCHI President

March 29, 2011

Representative Marcus R. Oshiro Chair, House Committee on Finance The House of Representatives State of Hawaii

Dear Chair Oshiro:

RE: SB No. 1076, SD1, HD2

IBEW Local 1260 supports and request that the Committee on Finance submit S.B. No. 1076, SD1, HD2 to the House of Representatives for the enactment of this bill. The Local Union, with this testimony, will expose how Hawaiian Electric Company, Inc. uses their Attendance Improvement Program (AIP) to intimidate and discipline their employees from using their sickness benefits.

The AIP is a Company policy that was not negotiated and is only implemented on the union members of the Company. Since it only affects the union members, it is not only discriminatory but is unfair because it uses discipline to discourage use of a negotiated benefit.

Quoting the AIP, "For purpose of the AIP, 'absences' that are monitored include the following: sickness; unscheduled absences; unexcused absences; and tardiness." According to the AIP, the definition for unexcused absence is "any unscheduled absence or tardiness from the defined work schedule where appropriate notice is not provided and/or the supervisor does not approve the absence."

The Company has encouraged employees to use the FMLA for illnesses and/or injuries so the occurrence will not count on the AIP. The purpose and reason for FMLA was if employees did not have vacation or sick benefits, they could use FMLA to avoid being disciplined for the time away from work.

Under "Rights of Management," it states that the Company has the right to determine when an employee can take vacation or excused absence. The definition of excused absence is not clearly defined, but assuming that sick leave with physician's note is an excused absence, how does the Company schedule the sick leave?

#### International Brotherhood of Electrical Workers

Local 1260



Representative Marcus R. Oshiro

-2-

March 29, 2011

The Corporate Health Administrator or Director, Corporate Health & Wellness (same person), whose qualifications have been questioned by the Local Union, has ruled on most of the AIP "Steps" that the employee did not have documentation to support the absence. The Administrator has also, on numerous occasions, stated that she has reviewed the documentation from the employee and determined that the absence(s) does not qualify as serious, chronic, or FMLA-related. The Administrator, who has not established her qualifications to the Local Union, is actually disputing the physician's note for the absence(s). How does she determine if an absence is FMLA-related when the employee's physician needs to fill out Section 3 of the form?

The employee's sick leave record for their career is not considered. The employee may have an excellent attendance record, but if that employee is experiencing a "bad" time in his career regarding being ill, injured, or both, that employee will receive discipline. The attachment will show that the Company has stated to employees that they will be held to the triggers of the AIP.

The AIP policy discourages use of sick leave, and therefore there may be times when an employee will come to work sick. The Local Union has been trying to point out to the Company that prevention of pandemic outbreaks is to stay home when you feel any type of symptoms associated with influenzas or colds because even if you take a test, the results takes a while to come back. If a pandemic outbreak occurs because of policies like the AIP, such as a child who is most vulnerable may suffer or possibly die, that would be unforgivable.

The Local Union is not against any policy for abuse of sick leave or sick benefits, but since it is a negotiated benefit in the CBA, the Local Union would like to have collective bargaining involved in establishing such policies. It is not this Local Union's intention to hinder the Company's operations, but the Company needs to establish that abuse has occurred. Please stop companies like Hawaiian Electric Company, Inc. from using policies like the AIP to circumvent sick benefits negotiated in collective bargaining agreements (CBA). Imagine what might be happening to employees who work for companies that don't have a CBA.

Sincerely,

Lance M. Miyake

Business Manager - Financial Secretary

# ATTENDANCE IMPROVEMENT PROGRAM

Effective: April 2002

#### PURPOSES OBJECTIVE

Employees are expected to maintain a reasonably healthy lifestyle as every employee's well-being contributes to a safe, efficient and productive workplace. In addition, a consistently dependable employee is critical to the health and well-being of other members of the team.

The Attendance Improvement Program (AIP) establishes definitive expectations of attendance and guidelines for fair and consistent management of attendance issues related to excessive as well as pattern absences. The purpose of the AIP is to ensure the following:

- · employees report to work on time and on a regular basis;
- each job is completed as safely, effectively and efficiently as practical by those best qualified;
- disruptions to operations (resulting from unscheduled absences) are minimized;
- morale of all employees is maintained at a consistently high level; and
- the Company can compete in a competitive environment.

It is important to note that the AIP is not meant to be punitive, but rather, corrective. The objective is to establish a fair and equitable solution, sensitive to employees' ailments / needs, while modifying the behavior that is below expectations.

#### RIGHTS OF MANAGEMENT

The Company has the sole and exclusive right to determine when an employee can take vacation or excused absence. Supervisors are expected to appropriately approve or deny absences based on a determination of whether the absence is disruptive and / or unavoidable. An employee may be denied vacation if the absence is determined to be disruptive or the reason inadequate.

The Company recognizes that employees may have a "bad year" and, thus, administration of the AIP relies on supervisory judgment and management review as well as considering past history and patterns of absences.

#### MONITORING & ADMINISTRATION

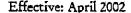
Departments will manage the attendance of all its employees by:

- establishing attendance expectations for "frequency," "total hours" and "patterns";
- monitoring attendance relative to expectations; and
- · taking actions as outlined in the AIP.

For purposes of the AIP, "absences" that are monitored include the following:

- sickness;
- unscheduled absences;
- unexcused absences; and
- tardiness.

Once problem attendance has been identified, the employee is placed in the AIP to help the employee better manage his / her attendance challenges by providing clear procedures and / or consequences for current and subsequent occurrences of absence.



#### CORRECTIVE ACTION PROCESS

The following process shall be used to promote improved attendance. Note that the timeframe for the next trigger begins on the date of the last occurrence.

#### STEP I: COUNSELING

#### Trigger for Step I:

- 4<sup>th</sup> occurrence within a twelve-month period, OR
- 48 hours within a twelve-month period; OR
- 2 or more pattern occurrences, such as where the absence(s) coincides with a day of leave, with or without pay, within a twelve-month period.

#### STEP II: DOCUMENTED VERBAL WARNING

#### Trigger for Step II:

- 2 occurrences within the next six-month period, OR
- 24 hours within the next six-month period.

#### STEP III: WRITTEN WARNING

#### Trigger for Step III:

- 2 occurrences within the next six-month period, OR
- 24 hours within the next six-month period.

## STEP IV: DECISION-MAKING LEAVE AND PERSONAL ACTION PLAN Trigger for Step IV:

- 2 occurrences within the next six-month period, OR.
- 24 hours within the next six-month period.

#### STEP V: TERMINATION

#### Trigger for Step V:

Next occurrence within the next six-month period.

#### GETTING OFF THE PROGRAM

An employee who does not meet the criteria for the next trigger is removed from the AIP.

#### **EMERGENCY LEAVES**

Emergency leaves are available only for compelling, urgent or unusual circumstances. The Supervisor or Superintendent MUST approve this type of unscheduled absence and the employee must provide a legitimate reason for the urgency or lack of notice. Generally, "personal reason" is not a sufficient explanation for emergency leaves. Typical examples include, but are not limited to the following types of requests:

- Addressing the safety of the employee, the health or well-being of the employee's family, or that qualifies under the FMLA;
- Transacting business which cannot be otherwise transacted before / after scheduled workdays or on days off;
- Where the situation was beyond the employee's control and other arrangements such as the swapping of shifts / work schedules could not be arranged.

## DOCTOR'S CERTIFICATE OF ILLNESS / INJURY

A doctor's certification of illness or injury preventing an employee from performing his or her job responsibilities is required in the following situations:

- 1. absences of 3 or more consecutive days;
- 2. any absence where the employee has 4 or more separate absences within a 12 month period;
- 3. any absence where the employee is not at home when called on by a Company representative during the period that the employee is absent from work;
- 4. situations which may require a supervisor to ensure the employee's state of health does not represent a danger to themself or fellow workers, or that the supervisor must determine whether an act of deception or dishonesty might have taken place. In any case, such a demand shall not be made arbitrarily.

Failure to provide valid certification as requested shall result in non-payment of sickness benefit. All medical records obtained in accordance with this policy shall be deemed confidential and shall be maintained by the Corporate Health Administrator.

Employees with chronic or serious illnesses / injuries, as certified by the treating physician, will be reviewed on a case-by-case basis by the Corporate Health Administrator and handled accordingly.

#### FALSIFICATION & / OR ABUSE

Any employee found to have falsified illness reports or otherwise abused the privileges of the sickness benefit plan will be dealt with in accordance with Company policies and the Collective Bargaining Agreement.

#### **TARDINESS**

Disruptive or habitual tardiness must be addressed and officially acted upon. Tardiness will not be tolerated and will be dealt with on a case-by-case basis using frequency, duration, and its effect on operation as a means of determining corrective action necessary.



#### A DESINITION OF TERMS

#### Chronic or Serious Illnesses / Injuries

A chronic or serious illness/injury is a life threatening or very serious condition which requires hospital care, ongoing outpatient follow-up, and is a situation where return to normal work may be detrimental to the patient's health or to other employee's health, or the patient is felt by his/her physician to be completely incapacitated to perform any of the duties of his/her job.

#### Decision making Leave

The employee placed on a one (1) day paid administrative leave (not deducted from employee's leave account) and decide on returning with:

- 1. a decision to voluntarily resign, to be effective immediately; OR
- 2. a written Personal Action Plan stating:
  - the actions the employee will take to improve his/her absenteeism, and
  - that he/she understands the repercussions of the next "trigger," and
  - that he/she understands the timeframe for improvement.

Note: It is critical that the employee understand that the decision-making day is NOT a "day off." The employee is given a direct order to make a final decision while on the clock. Failure to do so ("I couldn't make up my mind" or "I decided not to decide") is insubordination – failure to follow a direct and legal order – and will result in disciplinary action, up to and including termination.

#### Discuption

An absence is defined as disruptive if it causes, but is not limited to, the following:

- 1. overtime
- delays in normal schedule
- 3. delays completion of work within the expected timeframe.

#### **Excused Absences**

Excused absences are those in which appropriate notice (at least one day) is provided AND the supervisor approves the absence (e.g., vacation, excused absence with / without pay, etc).

#### Pattern Absences

Patterns of abuse include the following examples, but are not all-inclusive:

- unscheduled absences correlating with holidays, regular days off, and paydays
- absences which reflect a trend (i.e., Mondays and Fridays)
- frequent tardiness in reporting to work or reporting back to work during the course of the workday.

#### Personal Action Plan (PAP)

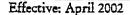
The Personal Action Plan is a mutual understanding between the supervisor / Company and the employee where goals, specific steps and measurements are identified to improve his / her attendance.

#### Trigger

A trigger is the point that initiates / prompts action. The timeframe for the next trigger begins on the date of the last occurrence.

#### Unexcused Absences

Unexcused absences are defined as any unscheduled absence or tardiness from the defined work schedule where appropriate notice is not provided and / or the supervisor does not approve the absence.





Scot F. Long Business Mgr. / Financial Sec.

#### International Brotherhood of Electrical Workers

Telephone Local Union 1357 2305 S. Beretania Street #206 • Honolulu, Hawaii 96826 Telephone (808) 941-7761 • Fax (808) 944-4239



Ted M. Furukado President

### SB1076 SD1 HD2

RELATING TO EMPLOYMENT PRACTICES
SCOT F. LONG
BUSINESS MANAGER / FINANCIAL SECRETARY
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
LOCAL UNION 1357

March 31, 2011

#### Rep. Marcus Oshiro, Chair and the Committee on Finance:

I am Scot Long, testifying on behalf of IBEW Local Union 1357 on SB1076, "A BILL TO ADDRESS THE TAKING OF LEGITIMATE SICK LEAVE". IBEW Local Union 1357 strongly supports this bill.

IBEW Local Union 1357 represents over 800 hourly employees at Hawaiian Telcom and throughout our tenure there many of our members have been disciplined for taking legitimate, negotiated sick leave benefits. However, this is not a Hawaiian Telcom Bill, as other employers have been administering to a "2% no fault attendance policy" which is a trigger for disciplining employees for legitimate illnesses.

Now, schools require that children must stay home for a minimum of 3 days if they have any flu like symptoms and employers are telling employees not to come to work if they have a contagious illness (pink eye, H1N1, etc.). But, if employers continue to discipline employees for using their sick leave benefits for legitimate illnesses then, out of fear, employees would go to work and possibly contaminate the work environment thus creating more problems. And so this Bill would support the employers' concerns.

Employers will say that this Bill is a license for abuse and may prey on the unsophisticated. IBEW Local Union 1357 prides itself on responsible behavior and there are provisions in our Collective Bargaining Agreement, as well as recourse under Federal Regulations, to address any abuse. No, this Bill is not a license for abuse, but just the opposite. This is a Bill to restore dignity and civility in the workplace.

The same compelling reasons that this body passed SB 2883 in 2010 that was then vetoed by the Governor, are still prevalent. We humbly ask for your support of SB 1076 and we thank you for the opportunity to testify. I have attached similar testimony from some of the employees of Hawaiian Telcom.

Mahalo!

From: Hourly Employees of Hawaiian Telcom

Subject: HB 341 HD4 and SB 1076 SD1 - Relating to Employment Practices

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From: Hourly Employees of Hawaiian Telcom

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From: Hourly Employees of Hawalian Telcom

Subject: HB 341 HD4 and SB 1076 SD1 - Relating to Employment Practices

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From: Hourly Employees of Hawalian Telcom

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From: Hourly Employees of Hawaiian Telcom

Subject: HB 341 HD4 and SB 1076 SD1 - Relating to Employment Practices

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From: Hourly Employees of Hawaiian Telcom

Subject: HB 341 HD4 and SB 1076 SD1 - Relating to Employment Practices

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From: Hourly Employees of Hawalian Telcom

Subject: HB 341 HD4 and SB 1076 SD1 - Relating to Employment Practices

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From: Hourly Employees of Hawaiian Telcom

Subject: HB 341 HD4 and SB 1076 SD1 - Relating to Employment Practices

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## HAWAII STATE AFL-CIO

320 Ward Avenue, Suite 209 . Honolulu, Hawaii 96814

Telephone: (808) 597-1441

Fax: (808) 593-2149

The Twenty-Sixth Legislature, State of Hawaii
House of Representatives
Committee on Finance

Testimony by Hawaii State AFL-CIO March 31, 2011

S.B. 1076, SD1, HD2 – RELATING TO EMPLOYMENT PRACTICES

The Hawaii State AFL-CIO strongly supports S.B. 1076, SD1, HD2 which makes it unlawful for any employer or labor organization with more than one hundred employees and a collective bargaining agreement to bar or discharge from employment, withhold pay from, or demote an employee solely because the employee uses accrued and available sick leave, except if the employee is unable to fulfill the essential job functions or requirements of the employee's position and reinforces that the employer must still comply with all federal, state, and local laws protecting employees.

S.B. 1076, SD1, HD2 ensures that employees will stay at home when diagnosed with a contagious illness. A perfect example of such situations was the outbreak of the H1N1 virus a few years ago, where employees affected by the virus were instructed to stay away from work for a lengthy period of time to avoid infecting co-workers. Employees should not fear discipline or the chance of losing their job solely because they got sick. S.B. 1076, SD1, HD2 simply protects employees from being disciplined for taking legitimate sick leave.

Unfortunately, some employers do not exclude sick leave as part of its hours of absence. As a result, employees who use legitimate sick leave may be subject to various disciplinary actions. In one company, employees may be disciplined under company policy even though there is a collective bargaining agreement that provides for the use of legitimate sick leave. This practice is patently unfair.

In the case of Auer v. Village of Westbury, the New York Supreme Court, Appellate Division ruled in favor of an employee who had been suspended for thirty days for using his sick leave. The New York Supreme Court, Appellate Division proclaimed "the fact that the employee used all his available sick days under the collective bargaining agreement did not alone establish that he was abusing his sick leave and, thus, did not warrant a finding of misconduct." As a result, the Court nullified the penalty and finding of guilt and ordered the employer to repay the employee for the entire period he was suspended.

Employees who use legitimate sick leave should be protected under the law from abuse and discipline. Employees should not be fearful of getting sick and worried that if they take off from work they could be subjected to various forms of discipline including suspension or even termination.



S.B. 1076, SD1, HD1 March 31, 2011 Page 2

The Hawaii State AFL-CIO strongly urges the passage of S.B. 1076, SD1, HD2 and respectfully requests the effective date of July 1, 2011 remain unchanged.

Thank you for the opportunity to testify.

Respectfully submitted,

Randy Perreira President The Twenty-Sixth Legislature Regular Session of 2011

HOUSE OF REPRESENTATIVES Committee on Finance Rep. Marcus R. Oshiro, Chair Rep. Marilyn B. Lee, Vice Chair

State Capitol, Conference Room 308 Thursday, March 31, 2011; 2:00 p.m.

## STATEMENT OF THE ILWU LOCAL 142 ON S.B. 1076, SD1, HD2 RELATING TO EMPLOYMENT PRACTICES

The ILWU Local 142 supports S.B. 1076, SD1, HD2, which makes it unlawful for an employer or labor organization with 100 or more employees and a collective bargaining agreement to bar or discharge from employment, withhold pay from, or demote an employee solely because the employee uses accrued and available sick leave, except if the employee is unable to fulfill the escential job functions or requirements of the employee's position. Reinforces that the employer must comply with all federal, state, and local laws protecting employees.

S.B. 1076, SD1, HD2 addresses a practice among a growing number of employers to undermine sick leave provisions of collective bargaining agreements or employment policies by adopting "no-fault attendance policies" which penalize employees for absence from work irrespective of the reason for the absence. Under these "no-fault" policies, any absence or tardiness is considered an "incident" that can subject the employee to progressive discipline, up to and including discharge, even if some or all of the absences are due to legitimate, verifiable illness.

By law, employers are required to provide temporary disability insurance or, in the alternative, sick leave that meets statutory requirements. By passing the TDI statute, lawmakers recognized that workers will become ill or injured from time to time and should be entitled to benefits to allow them to stay away from work and recuperate during those periods of illness or incapacity. The law was not intended to allow employers to penalize employees for using TDI or sick leave benefits. However, over the years, with "no-fault attendance policies" in place, employees who exceed a specified threshold of total absences can ultimately be disciplined or discharged due to absence for a legitimate, verifiable illness.

Attendance policies are, in most cases, implemented unilaterally as "House Rules," are not subject to bargaining, and are considered "no-fault," although the implication is that it's always the worker's fault. This means any absence, regardless of the nature, will count toward the incident threshold. In one attendance policy, four incidents in a 12-month period will result in a verbal warning, five will merit a written warning, six will result in suspension, and seven will mean discharge. An employee could take sick leave for legitimate illnesses and still be subject to this progressive discipline.

ILWU - S.B. 1076 Page 1 of 2

We do not believe such action is consistent with the intent of the TDI law. If an employee has a cold or the flu, an employer should <u>want</u> the employee to stay away from work, especially if the employee's job requires contact with guests, customers, co-workers, or the handling of food. However, a no-fault attendance policy serves as a disincentive for employees to use their accrued and available sick leave. Thus, no-fault attendance policies and sick leave/TDI policies seem to be in conflict.

We also believe provisions of this bill should apply to all employers, not just those with 100 or more employees and a collective bargaining agreement. Employees with CBA's have certain protections built into their union contracts, like representation and a grievance procedure. Employees without CBA's are "at will" and subject to any policies imposed upon them by their employer. They, more than anyone, need protection of the law.

Despite this concern, the ILWU urges passage of S.B. 1076, SD1, HD2. Thank you for considering our testimony.

ILWU - S.B. 1076 Page 2 of 2



Testimony to the House Committee on Finance
Thursday, March 31, 2011
2:00 p.m.
State Capitol - Conference Room 308
Agenda #1

## RE: SENATE BILL NO. 1076 SD1 HD2 RELATING TO EMPLOYMENT PRACTICES

Chair Oshiro, Vice Chair Lee and members of the committee:

My name is Jim Tollefson and I am the President and CEO of The Chamber of Commerce of Hawaii ("The Chamber"). I am here to state The Chamber's opposition to Senate Bill No. 1076 SD1 HD1, relating to Employment Practices.

The Chamber is the largest business organization in Hawaii, representing more than 1,100 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of its members, which employ more than 200,000 individuals, to improve the state's economic climate and to foster positive action on issues of common concern.

This measure makes it unlawful for any employer or labor organization with more than one hundred employees and a collective bargaining agreement to bar or discharge from employment, withhold pay from, or demote an employee solely because the employee uses accrued and available sick leave, except if the employee is unable to fulfill the essential job functions or requirements of the employee's position. Reinforces that the employer must still comply with all federal, state, and local laws protecting employees. Effective July 1, 2011.

The Chamber of Commerce of Hawaii has held a longstanding position that sick leave is a benefit for employees. Businesses generally offer this benefit to employees to create a healthy work environment and to foster a positive relationship with its employees. They understand that employees will require occasional leave from work due to a legitimate sickness.

However, creating a protection of the use of sick leave may force many businesses to reconsider sick leave benefits by reducing or eliminating voluntary sick leave due to the potential abuse of this benefit that could result if the measure is passed. This bill will undermine the employer's right to manage sick leave abuse. This will have the unintended consequence that will impact all employees. Furthermore, the implications of this measure could lead to a rise in the cost of doing business, an unstable work environment, and potential litigation. Also, the passage of this measure could lead to a "slippery slope."

For these reasons, The Chamber of Commerce of Hawaii respectfully requests that this measure be held. Thank you for the opportunity to provide testimony.



#### Before the House Committee on Finance

DATE:

Thursday, March 31, 2011

TIME:

2:00 P.M.

PLACE:

Conference Room 308

# SB 1076 SD1 HD2: Relating to Employment Practices Testimony of Melissa Pavlicek for NFIB Hawaii

Thank you for the opportunity to testify in opposition to SB 1076 SD1 HD2.

We recognize and appreciate the efforts of legislators to address small business concerns. This measure has the potential to negatively impact the ability of business owners to manage attendance policies necessary to run a small business and add to the cost of doing business.

The National Federation of Independent Business is the largest advocacy organization representing small and independent businesses in Washington, D.C., and all 50 state capitals. In Hawaii, NFIB represents more than 1,000 members. NFIB's purpose is to impact public policy at the state and federal level and be a key business resource for small and independent business in America. NFIB also provides timely information designed to help small businesses succeed.

Mahalo for your consideration.



To:

House Committee on Finance

Hearing:

Thursday, March 31, 2011

2:00 P.M.

Conference Room 308

Re:

SB1076 SD1 HD2: Relating to Employment Practices

From:

Society for Human Resource Management - Hawaii Chapter

The Society for Human Resource Management – Hawaii Chapter ("SHRM Hawaii") represents more than 1,300 human resource professionals in the State of Hawaii. On behalf of our members, we would like to thank the Committee for giving us an opportunity to comment on SB1076 SD1 HD2, relating to employment practices.

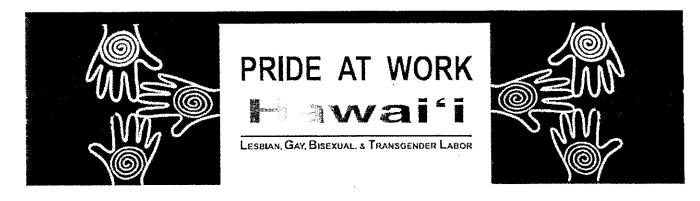
We are opposed to SB1076 SD1 HD2 which makes it an unlawful practice for any employer or labor organization to bar or discharge from employment, withhold pay from, or demote an employee because the employee uses accrued and available sick leave.

We are concerned SB1076 SD1 HD2 has the potential to conflict with other leave requirements and policies on the local, state and federal levels including, but not limited to the Hawaii Family Leave Law, the Family Medical Leave Act, the National Defense Authorization Act Amendments, the Americans with Disabilities Act, workers' compensation and temporary disability insurance.

Moreover, we are concerned SB1076 SD1 HD2 will have the unintended consequence of employers seeking to implement a Paid Time Off policy rather than maintaining separate vacation and sick leave policies. Employees may lose the flexibility they currently have as employers will be more likely to impose and enforce strict requirements for use of sick leave such as requiring a doctor's visit/note and/or that sick leave shall be used solely for the employee's illness and not that of a family member such as a child.

SHRM Hawaii, like SHRM, the national organization of which it is an affiliate, believes that employers, not the government, are in the best position to address workplace needs and know the benefit preferences of their employees which may include other types of leave policies. HR professionals have decades of experience in designing and implementing programs that work for both employers and employees. We're eager to share this expertise with policymakers and welcome a positive dialogue on workplace flexibility policy, rather than a mandate.

Once again, thank you for this opportunity to provide you with this input.



March 31, 2011 House Committee on Finance Chair, Rep. Marcus Oshiro Vice Chair, Rep. Marilyn Lee

#### Testimony in support of SB1076 SD1 HD2 Relating to Employment Practices

Pride At Work Hawai'i is an affiliate of the Hawai'i State AFL-CIO and works to mobilize lesbian, gay, bisexual, and transgender (LGBT) workers and their supporters for full equality and to build mutual support between the labor movement and the LGBT community. We strongly support SB 1076 SD1 HD2, which would protect workers who are ill from being disciplined or discharged for using available sick time.

SB 1076 SD1 HD2 will help make sure that working people will stay home when they are too sick to work or are diagnosed with a contagious illness. Employees should not fear discipline or the chance of losing their job solely because they got sick; this bill simply protects employees from being disciplined for taking legitimate sick leave.

Unfortunately, some employers limit the amount of time workers can take sick leave by treating sick leave as time off. As a result, employees who use legitimate sick leave may be subject to various disciplinary actions. This practice is patently unfair - it's bad for workers, for their families, and for businesses.

Workers who use legitimate sick leave should be protected under the law from abuse and discipline. When workers are too ill to work, or could get others sick, they should stay home and/or seek medical care - they should not also have to worry that they could be subjected to discipline including suspension or even termination.

We strongly encourage you support working people by passing this bill as it stands. Thank you.

#### SB 1076 SD1 HD2

# RELATING TO EMPLOYMENT PRACTICES HAWAIIAN TELCOM

#### March 31, 2011

Chair Oshiro and members of the House Finance Committee:

Hawaiian Telcom is opposed to SB 1076 SD1 HD2 - "RELATING TO EMPLOYMENT PRACTICES."

Hawaiian Telcom believes that this bill is unnecessary and therefore as a matter of public policy should not be a subject for legislative action. Hawaiian Telcom already provides a very generous package of employee sick leave, disability, and family leave benefits. For example, the current collective bargaining agreement provides for up to 52-weeks of company paid employee sick leave depending on the years of service.

It is widely acknowledged that the company is one of the few or maybe the only business in Hawaii that provides up to a whole year of paid sick leave. In addition to this negotiated employee benefit, Hawaiian Telcom fully complies with the Federal Family Medical Leave Act (up to 480-hours of leave a year) and the Hawaii Family Medical Leave Act (an additional 160-hours of leave a year).

Hawaiian Telcom is not mandated by law to provide additional sick leave benefits. It is a voluntary benefit that is provided as somewhat of an "insurance policy" for employees should they become sick to ensure they have the time and financial means to fully recuperate and recover before returning back to work. It is inconceivable that the company should be expected to sanction sick leave

abuse by allowing employees unrestricted absenteeism without the means to curb highly questionable or excessive absences. Condoning unrestricted absenteeism will severely hamper Hawaiian Telcom's ability to provide the same high level of telecommunication services that its customers expect and deserve.

In addition, HRS Chapter 269 requires Hawaiian Telcom to meet certain customer and service benchmarks or face administrative fines or other penalties. The company utilizes an attendance policy that is both fair to employees while recognizing that regular scheduled work attendance is essential in order to satisfy these mandated customer service quality requirements.

If issues arise involving Hawaiian Telcom's negotiated sick leave policy, the company believes that as a matter of public policy the proper venue for resolution is through the collective bargaining process and not by other avenues. The legislature in its wisdom established the collective bargaining process to allow parties to resolve employment issues without the need to legislate every dispute that arises. This bill attempts to undermine the integrity of this well established process by legislating the optional employer-provided benefit of sick leave. Sick leave is part of a negotiated contract between employer and employee and is best resolved through the collective bargaining process.

If it is the intent of the committee to move this measure forward, we respectfully request that the language on page 3, lines 10-21 and page 4, lines 1-8 be removed because it deals with employment issues outside the realm of collectively bargained employee sick leave:

"(2) For purposes of the unlawful practice established pursuant to subsection (a), employers and labor organizations shall not be

prohibited from barring or discharging from employment, withholding pay from, or demoting an employee if the employee is unable to fulfill the essential job functions or requirements of the employee's position; provided further that:

(A) The employee shall have used all accrued and available sick leave before the employer or labor organization can bar or discharge an employee from employment, withhold pay from the employee, or demote the employee under this subsection; and (B) The employer shall comply with all federal, state, and county laws providing for protected leave, including the Family and Medical Leave Act of 1993, Public Law 103-3, as amended: chapter 398, relating to family leave; chapter 392, relating to Hawaii temporary disability insurance law; and chapter 386, the workers compensation law."

For all of the reasons set forth above, Hawaiian Telcom opposes SB 1076 SD1 HD2 and respectfully requests this measure be tabled this session.

Thank you for the opportunity to provide comments.

#### **Testimony before the House Committee on Finance**

on
S.B. 1076 SD1, HD2, Relating to Employment Practices

Thursday, March 31, 2011 2:00 p.m. Conference Room 308, State Capitol

> By Sherri-Ann Loo, Manager Hawaiian Electric Company

Chair Oshiro, Vice Chair Lee, and Members of the Committee:

I am Sherri-Ann Loo, Manager, Human Resources Programs and Strategies at Hawaiian Electric Company, Inc. I represent Hawaiian Electric Company, Inc. and its subsidiaries, Hawaii Electric Light Company, Inc. and Maui Electric Company, Limited (collectively "HECO") consisting of 2300 employees.

We respectfully oppose Senate Bill 1076 Senate Draft 1, House Draft 2.

House Draft 2 diminishes an employer's right to manage sick leave abuse, unfairly punishes companies with generous sick leave benefits, and is unnecessary, duplicative and can be more generous than current rights and laws. It also unfairly targets our utility as a company that must conform to this proposal even though we have not done anything to warrant this measure.

S.B. 1076 Senate Draft 1, House Draft 2 is objectionable for the following reasons:

- 1. Abuse of sick leave was an exception to the employee protection of sick leave usage under S.B. 1076 SD 1. House Draft 2 does not have a specific exception for such abuse but instead gives employers the right to require medical certification in cases of sick leave of three or more consecutive days. This single requirement is insufficient to guard against abuses of sick leave and undermines the right of an employer to manage abuses of sick leave.
- 2. All regular full-time employees of HECO have a benefit schedule of sick leave ranging from a minimum of 40 hours full pay after 6 months of service to a maximum of 384 hours full pay after 10 years of service. Employees with serious illnesses are allowed to draw upon a bank of unused sick leave that could be as high as 1,440 hours of full pay. The intent of our benefit is to provide income security in the event of serious illness or injury. There will be a negative impact to productivity should all employees be allowed to use their full balance of sick leave without restricted controls in place to prevent the misuse of the system or avenues to address excessive absenteeism by employees with "a non-chronic condition of a short-term nature." HECO (and possibly other companies) would have to seriously reconsider the amount of sick leave benefit it provides.

- 3. House Draft 2 also prohibits an employer from discharging or demoting an employee until all accrued and available sick leave is exhausted even if the employee can no longer fulfill the essential job functions of the position. This is punitive to companies with generous sick leave benefits such as ours. It could also result in providing job protection longer than currently required under the Family and Medical Leave Act and Hawaii Leave Law. As such it is not only duplicative of job protection laws such as these, it can be punitive for companies with generous sick leave policies by extending the protection beyond that currently required.
- 4. This bill is applicable only to employers with collective bargaining agreements and with workforces of one hundred or more employees. Collective bargaining provides its own set of remedies, including the right to grieve and challenge disciplinary action, including that related to sick leave usage. As such, this bill is unnecessary and duplicative.

We therefore ask the Committee to hold S.B. 1076 SD 1, HD 2.

Thank you for the opportunity to share our concerns with you.

#### Testimony of Glenn Ida Representing,

The Plumbers and Fitters, Local 675 1109 Bethel St., Lower Level Honolulu, Hi. 96813

#### In Strong Support of SB1076, SD1, HD2

Before the House: Committee on Finance Thursday, Mar.31, 2011 2:00 PM, Conference Room 308

Aloha Chair Marcus Oshiro, Vice-Chair Lee and Members,

My name is Glenn Ida; I represent the 1300 plus active members and about 600 retirees of the Plumbers and Fitters Union, Local 675.

Local 675, **Strongly Supports S.B. 1076**, **SD1**, **HD2**, which makes it unlawful for any employer or labor organization with more than one hundred employees and a collective bargaining agreement to bar or discharge from employment, withhold pay from, or demote an employee solely because the employee uses accrued and available sick leave, except if the employee is unable to fulfill the essential job functions or requirements of the employee's position. Reinforces that the employer must still comply with all federal, state, and local laws providing for protected leave, including the Family and Medical Leave Act of 1993, Public Law 103-3, as amended; Chapter 398; relating to family leave; Chapter 392, relating to Hawaii temporary disability insurance law; and Chapter 386, workers' compensation law.

The Plumbers and Fitters Local 675, Strongly Supports, SB 1076,SD1, HD2.

Thank you for this opportunity to testify.

Glenn Ida 808-295-1280

#### **FINTestimony**

From:

mailinglist@capitol.hawaii.gov Monday, March 28, 2011 2:27 PM

To:

**FINTestimony** 

Cc:

debrab@financefactors.com

Subject:

Testimony for SB1076 on 3/31/2011 2:00:00 PM

Testimony for FIN 3/31/2011 2:00:00 PM SB1076

Conference room: 308

Testifier position: oppose Testifier will be present: No Submitted by: Debra Bringman Organization: Finance Factors Ltd

Address: Phone:

E-mail: debrab@financefactors.com

Submitted on: 3/28/2011

#### Comments:

One of the things employers watch for is sick leave abuse, such as an employee who always calls in sick on a Friday or Monday to extend their weekends. In this case it is one day here, one day there. Based on this bill, we would not be able to discipline or terminate this individual. Please consider addressing this, before passing this bill into law.