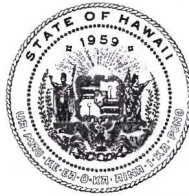


DAVID Y. IGE
GOVERNOR

SHAN S. TSUTSUI
LIEUTENANT GOVERNOR



LATE TESTIMONY

LINDA CHU TAKAYAMA
DIRECTOR

LEONARD HOSHIO
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
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February 15, 2016

To: The Honorable Gilbert S.C. Keith-Agaran, Chair,
The Honorable Maile S.L. Shimabukuro, Vice Chair, and
Members of the Senate Committee on Judiciary and Labor

Date: Tuesday, February 16, 2016
Time: 9:00 a.m.
Place: Conference Room 016, State Capitol

From: Linda Chu Takayama, Director
Department of Labor and Industrial Relations (DLIR)

Re: S.B. No. 2456 Relating to Labor

I. OVERVIEW OF PROPOSED LEGISLATION

SB 2456 proposes to add a new section in the Payment of Wages and Other Compensation Law, chapter 388, Hawaii Revised Statutes (HRS), to provide sick leave to "service workers" earned at a rate of one hour per forty hours worked with a limit of eighty accrued hours paid for by the employer. The sick leave requirement applies to private employer with 50 or more employees.

DLIR supports the intent of the measure and offers comments.

II. CURRENT STATUS

There is no required paid sick leave law in the Payment of Wages and Other Compensation Law, chapter 388, HRS. Employers are required to provide temporary disability leave, which acts as a wage replacement for individuals who are temporarily disabled due to their own illness and outside of the scope of workers' compensation law.

III. COMMENTS ON THE SENATE BILL

The department appreciates the intent of this bill and offers the following comments:

- If paid sick leave is provided for the workers' own illness, injury or health condition how does that work in concert with the worker's compensation law and the temporary disability law? Would the paid sick leave pay for the seven-day waiting period in TDI? Would the paid leave be reimbursed to the employer if care is found to be compensable under the workers comp injury?
- The measure does not make clear in what increments the paid sick leave could be used: an hourly basis? Daily basis?
- Page 3, line 13: DLIR suggests inserting "as defined under section 388-1," after "employee".
- Page 3, lines 16-18: strike: "FLSA, etc." and insert chapter 387.
- Page 4, line 3: DLIR suggests striking "annually" as the employee earns the leave on an hourly basis, not yearly.
- Page 4, lines 12-16: the "carry over" on line 15 seems to contradict the first part of the sentence that limits the carry over to 40 hrs. Perhaps the second use of "carry over" should be "accrue"?
- Page 5, lines 14-17: this sick leave provision may conflict with TDI and employers' various paid time off policies.
- Page 5, lines 18-19: this sick leave possible may conflict with TDI law for employees only.

Lastly, there may be a fiscal impact to the DLIR for additional personnel to enforce the law. Complaints concerning violations of this section would go to the Wage Standards Division under section 388-9, HRS. The current backlog of wage-related investigations in the Wage Standards, which stems from loss of investigators in the 2009 Reduction in Force (RIF), is substantial: some complex, chapter 104 cases can take up to three years to make a determination.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

LATE TESTIMONY

The Twenty-Eighth Legislature, State of Hawaii
The Senate
Committee on Judiciary and Labor

Testimony by
Hawaii Government Employees Association

February 16, 2016

S.B. 2456 – RELATING TO LABOR

The Hawaii Government Employees Association supports the purpose and intent of S.B. 2456, which requires certain employers to provide sick leave to service workers under certain, specific conditions.

Our organization represents over 27,000 public-sector employees who enjoy the same benefit of paid sick leave for healthcare. No employee should have to choose between their family's well-being and their job. Taking time off to care for one's illness not only protects the employee, but also protects their families, colleagues, and customers by reducing the chances of spreading illness. Providing employees with a few days of paid sick leave is an investment that not only supports the employee, but our community as a whole.

Thank you for the opportunity to testify in support of S.B. 2456.

Respectfully submitted,

for

Randy Perreira
Executive Director

The Twenty-Eighth Legislature
Regular Session of 2016

THE SENATE

Senator Gilbert S.C. Keith-Agaran, Chair
Senator Maile S.L. Shimabukuro, Vice Chair
State Capitol, Conference Room 016
Tuesday, February 16, 2016; 9:00 a.m.

LATE TESTIMONY

**STATEMENT OF THE ILWU LOCAL 142 ON S.B. 2456
RELATING TO LABOR**

The ILWU Local 142 **supports the intent** of S.B. 2456, which requires certain employers with fifty or more employees to provide sick leave to service workers for specified purposes under certain conditions. Defines the terms “service worker” and “employer.”

S.B. 2456 appears intended to address the need for paid sick leave from the first day of illness for numerous workers who are only covered by Temporary Disability Insurance, which has a seven-day waiting period before benefits may be paid. However, the bill sets up a “service worker” definition which would seem to include all hourly, non-exempt employees except day or temporary workers, who work for an employer with 50 or more employees. The benefit is earned at the rate of one hour for each forty hours worked. A total of forty hours may be carried over to the following calendar year, but only up to a maximum of eighty hours. The bill also allows the sick leave to be used for the service worker plus a child or spouse and for the service worker who is the victim of family violence or sexual assault.

The ILWU strongly supports providing all workers with paid leave for the worker’s own illness or disability and for the worker to provide care to a spouse or child. We also support victims of domestic violence and sexual assault. Taking care of employees by providing paid sick leave from the first day of illness fosters loyalty, greater productivity, and a healthful environment for employees as well as customers of the employer.

S.B. 2456 is an attempt to provide paid leave for an employee’s own illness or disability and that of a spouse or child. We support this effort, but we request that the Committee consider amending the definition of employer to a lower minimum number of employees and include a provision to ensure that the Temporary Disability Insurance law will not be adversely affected by this bill.

Thank you for the opportunity to share our views on this measure.



LATE TESTIMONY

Before the Senate Committee on Judiciary and Labor

DATE: February 16, 2016

TIME: 9:00 A.M.

PLACE: Conference Room 016

Re: SB 2456 Relating to Labor

Testimony of Melissa Pavlicek for NFIB Hawaii

We are testifying on behalf of the National Federation of Independent Business (NFIB) in opposition to SB 2456 relating to Labor. NFIB Hawaii respectfully opposes this measure.

SB 2456 requires employers with fifty or more employees to provide sick leave to service workers for specified purposes under certain conditions.

When it comes to employers providing paid sick time to their employees, we believe that government should not intrude in the employer/employee relationship. Many employers are already flexible in accommodating employee needs and time off requests without conflict and we believe that adding additional leave requirements has the potential to conflict with already-existing state and federal leave requirements.

The National Federation of Independent Business is the largest advocacy organization representing small and independent business in Washington, D.C. and all 50 state capitals. In Hawaii, NFIB represents nearly 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.



LATE TESTIMONY

Testimony to the Senate Committee on
Judiciary and Labor
February 16, 2016 at 9:00 a.m.
State Capitol - Conference Room 16

RE: SB 2456 Relating to Labor

Aloha members of the Committee:

I am John Knorek, the Legislative Committee chair for the Society for Human Resource Management – Hawaii Chapter ("SHRM Hawaii"). SHRM Hawaii represents more than 800 human resource professionals in the State of Hawaii.

We are writing to respectfully oppose SB 2456, which requires certain employers with fifty or more employees to provide sick leave to service workers for specified purposes under certain conditions. This measure defines the terms "service worker" and "employer".

Human resource professionals are keenly attuned to the needs of employers and employees. We are the frontline professionals responsible for businesses' most valuable asset: human capital. We truly have our employers' and employees' interests at heart. We respectfully oppose this measure because of the implementation challenges and administrative burden it would impose, and for the potential of unintended conflict with other leave laws.

We will continue to review this bill and, if it advances, request to be a part of the dialogue concerning it.

Thank you for the opportunity to testify.



SHRM Hawaii, P. O. Box 3175, Honolulu, Hawaii (808) 447-1840



LATE TESTIMONY

3375 Koapaka Street, D-108
Honolulu, HI 96819

Phone: (808) 831-0811
Fax: (808) 831-0833

February 16, 2016

Senate Committee on Judiciary and Labor

RE: Senate Bill 2456 Relating to Labor

Dear Chair Keith-Agaran, Vice Chair Shimabukuro and members of the Committee:

We appreciate the opportunity to testify on SB 2456, and respectfully submit the following written testimony in **OPPOSITION** to the bill. Times Supermarket is based on Oahu and operates 26 stores with locations in Maui, Kauai and Oahu.

SB 2456 requires employers with fifty or more employees to provide sick leave to service workers for specified purposes under certain conditions and it defines the terms "service worker" and "employer".

We believe that government should not intrude in the employer/employee relationship; especially when it comes to matters which we and many other employers already address. We are concerned about the potential for conflict with existing leave laws and the patchwork of rules and laws that may result in inconsistencies.

We ask that you hold this bill for further discussion.

Thank you for the opportunity to testify.

Respectfully,

Bob Gutierrez
Director of Government Affairs
Times Supermarket