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# A BILL FOR AN ACT

RELATING TO FAMILY LEAVE.

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

1           SECTION 1. The legislature finds that Hawaii's working  
2 families are not adequately supported during times of caregiving  
3 and illness. According to a 2018 report commissioned by Aloha  
4 United Way, entitled "ALICE [Asset Limited, Income Constrained,  
5 Employed] a Study of Financial Hardship in Hawaii", forty-two  
6 per cent of families in Hawaii are living paycheck to paycheck.  
7 While the federal Family and Medical Leave Act of 1993 allows  
8 twelve weeks of unpaid leave to employees who have worked at a  
9 business that employs fifty or more employees, the majority of  
10 Hawaii's workforce cannot afford to take unpaid leave to care  
11 for a new child or attend to the needs of a family member with a  
12 serious health condition. Hawaii law, which offers a modest  
13 four-week extension of unpaid leave, is available only to  
14 employees of large employers with more than one hundred  
15 employees.

16           The legislature further finds that in 2018, only seventeen  
17 per cent of workers in the United States had access to paid



1 family leave through their employers. Women, as primary  
2 caregivers of infants, children, and elderly parents, are  
3 disproportionately affected by the absence of paid family and  
4 medical leave. According to AARP Hawaii, there are  
5 approximately 157,000 unpaid family caregivers in the State.  
6 Hawaii has one of the fastest growing populations over the age  
7 of sixty-five in the nation; from 2020 to 2030, the percentage  
8 of people age sixty-five and over is expected to increase from  
9 19.1 per cent to 22.5 per cent of the State's population.  
10 Nearly one third of those who need but do not have access to  
11 family leave will need the time off to care for an ill spouse or  
12 elderly parent.

13 The legislature additionally finds that the coronavirus  
14 disease 2019 (COVID-19) spread globally and was declared a  
15 pandemic by the World Health Organization on March 11, 2020.  
16 Upon reaching Hawaii's shores, COVID-19 became a public health  
17 emergency that infected thousands of people, overwhelmed  
18 hospital capacities, created medical supply shortages, and  
19 claimed the lives of numerous Hawaii residents. Enacting a  
20 comprehensive family leave program would allow employees whose



1 family members are impacted by serious health conditions to  
2 provide adequate care for their loved ones.

3 The purpose of this Act is to ensure that employees in  
4 Hawaii are provided family leave insurance benefits when they  
5 need to provide care for their families.

6 SECTION 2. Chapter 398, Hawaii Revised Statutes, is  
7 amended by adding ten new sections to be appropriately  
8 designated and to read as follows:

9 "§398- Family leave insurance program. (a) The  
10 department shall establish and administer a family leave  
11 insurance program and pay family leave insurance benefits as  
12 specified in this chapter.

13 (b) The department shall establish procedures and forms  
14 for filing claims for family leave insurance benefits.

15 (c) The information collected and the files and records  
16 retained about a covered individual pursuant to this chapter,  
17 including the existence of a claim, shall be confidential and  
18 shall not be open to inspection; provided that:

19 (1) An employee who applied for family leave insurance  
20 benefits or that employee's representative, upon  
21 presentation of an authorization signed by the



1           employee to the department, shall be allowed to review  
2           any information, files, and records obtained by the  
3           department;

4           (2) A public employee acting within the scope of the  
5           public employee's official duties shall be permitted  
6           to review the minimum necessary information, files,  
7           and records to accomplish the public employee's  
8           purpose for reviewing the information, files, and  
9           records; and

10          (3) The department shall notify an employee's employer  
11          that an employee filed a claim pursuant to this  
12          chapter within            days after the claim has been  
13          filed.

14          **§398-        Notice to employers.** (a) An employer may  
15          require an eligible employee to give the employer written notice  
16          at least thirty days before commencing a period of family leave.

17          (b) An eligible employee may commence leave without thirty  
18          days' advance notice if the leave is not foreseeable, as in  
19          circumstances including but not limited to:

20          (1) An unexpected serious health condition of the employee  
21          or a family member of the employee; or



1       (2) A premature birth, unexpected adoption, or unexpected  
2       foster placement by or with the employee.

3       (c) If an eligible employee commences leave without thirty  
4       days' advance notice, as described under subsection (b), the  
5       employee shall give oral notice to the employer within  
6       twenty-four hours after the commencement of leave and shall  
7       provide written notice of leave within three days after the  
8       commencement of leave.

9       **\$398-       Employment protection; retaliation prohibited.**

10      After returning to work after a period of family leave, an  
11      eligible employee shall be entitled to be restored to the  
12      position of employment held by the employee when the leave  
13      commenced, if that position still exists, without regard to  
14      whether the employer filled the position with a replacement  
15      worker during the period of leave. If the position held by the  
16      employee at the time the leave commenced no longer exists, the  
17      employee shall be entitled to be restored to any available  
18      equivalent position with equivalent employment benefits, pay,  
19      and other terms and conditions of employment.

20      **\$398-       Family leave insurance fund; family leave**  
21      **insurance benefits.** (a) There is established an insurance fund



1 to be known as the family leave insurance fund. The family  
2 leave insurance fund shall be used to provide a covered  
3 individual with up to sixteen weeks per calendar year of paid  
4 family leave.

5 (b) The family leave insurance fund shall consist of  
6 employer and employee contributions based on the employee's  
7 average weekly wage, interest earned, income, dividends,  
8 refunds, rate credits, and other returns received by the fund.  
9 The rate of the contribution shall be in accordance with the  
10 contribution rate to the temporary disability insurance fund.

11 (c) The family leave insurance fund shall be under the  
12 control of and administered by the department. All sums  
13 contributed or paid from any source to the family leave  
14 insurance fund, and all assets of the fund including all  
15 interest and earnings, shall be held by the department for the  
16 exclusive use and benefit of the employee-beneficiaries. The  
17 fund shall be used to finance benefits, administration,  
18 outreach, and education or study of family leave insurance. The  
19 fund shall not be subject to appropriation for any other  
20 purpose.



1        **§398-**        **Eligibility for payment of benefits.**    Family

2    leave insurance benefits shall be payable to:

3        (1) An employed covered individual; or

4        (2) An unemployed covered individual who meets one of the  
5        following requirements:

6            (A) Because of birth, adoption, or placement through  
7            foster care, is caring for a new child during the  
8            first year after the birth, adoption, or  
9            placement;

10          (B) Is caring for a family member having a serious  
11          health condition;

12          (C) Is caring for a qualifying service member who is  
13          the employee's next of kin; or

14          (D) Due to a qualifying exigency.

15        **§398-**        **Report to the legislature.**    The department shall

16    submit a report to the legislature no later than twenty days  
17    prior to the convening of each regular session, beginning with  
18    the regular session of 2025, on any outreach efforts and  
19    projected and actual program participation, including the  
20    percentage of covered employees who received family leave  
21    insurance benefits, premium rates, and fund balances under the



1 family leave insurance program established pursuant to this  
2 chapter.

3 §398- Outreach and education. The department shall  
4 conduct a public outreach and education campaign to inform  
5 employees and employers of the availability of family leave  
6 insurance benefits. The department may use a portion of the  
7 funds collected in a given year for the family leave insurance  
8 program to pay for the public outreach and education campaign;  
9 provided that the department shall use no more than \_\_\_\_\_ per  
10 cent per year or \$ \_\_\_\_\_ per year, whichever is greater, for  
11 the public outreach and education campaign. Outreach  
12 information shall be available in English and other languages  
13 spoken within the State.

14 §398- Coverage of self-employed. (a) A self-employed  
15 person, including a sole proprietor, partner, or joint venture  
16 partner, may elect coverage under this chapter by filing a  
17 notice of election in writing with the director, as required by  
18 the department, as follows:

- 19 (1) For an initial period of no less than three years; and  
20 (2) Following the initial coverage period, no less than  
21 one additional year of coverage;



1 provided that the election shall take effect on the date of  
2 filing the notice.

3 (b) A self-employed person who has elected coverage may  
4 withdraw from coverage within thirty days after the end of the  
5 initial period of coverage, or at other times as the director  
6 may prescribe by rule, by filing with the director a notice in  
7 writing, as required by the department. The withdrawal shall  
8 take effect no sooner than thirty days after filing the notice.

9 **\$398- Wage withholding.** (a) An employer may deduct  
10 and withhold contributions from each employee of up to one-half  
11 of the cost of providing family leave insurance premiums, and  
12 the employer shall provide for the remaining cost over the  
13 amount of contributions of the employer's employees.

14 (b) If there is a dispute between the employee and the  
15 employer relating to the withholding of wages as contributions  
16 for family leave insurance benefits, either party may file with  
17 the director a petition for determination of the amount to be  
18 withheld. The matter shall be determined by an officer of the  
19 department. If either an employer or employee is dissatisfied  
20 with the department's determination, the aggrieved party may



1 appeal the petition for redetermination pursuant to the  
2 procedure under part V of chapter 392.

3 §398- Weekly benefit amount. (a) The weekly benefit  
4 amount shall be calculated as follows:

5 (1) If the individual's average weekly wage is fifty per  
6 cent or less of the state average weekly wage, the  
7 individual's weekly benefit shall be ninety per cent  
8 of the individual's average weekly wage;

9 (2) If the individual's average weekly wage is more than  
10 fifty per cent and less than one hundred per cent of  
11 the state average weekly wage, the individual's weekly  
12 benefit shall be seventy-five per cent of the  
13 individual's average weekly wage; or

14 (3) If the individual's average weekly wage is one hundred  
15 per cent or more of the state average weekly wage, the  
16 individual's weekly benefit shall be fifty per cent of  
17 the individual's average weekly wage.

18 (b) In no case shall the weekly benefit amount exceed the  
19 state average weekly wage."

20 SECTION 3. Section 398-1, Hawaii Revised Statutes, is  
21 amended as follows:



1           1. By adding five new definitions to be appropriately  
2 inserted and to read:

3           "Covered individual" means any person who:

4           (1) Is an employee or is currently unemployed but has been  
5           an employee within the last twenty-six weeks;

6           (2) Meets the requirements set forth in section 392-25 and  
7           the requirements in the rules implemented pursuant to  
8           this chapter; and

9           (3) Submits an application for family leave insurance  
10           benefits to the department.

11           "Designated person" means a family member designated by a  
12 covered individual for whom the covered individual will provide  
13 care under this chapter if the family member has a serious  
14 health condition.

15           "Family leave insurance benefits" means the benefits  
16 provided pursuant to this chapter.

17           "Family member" means a child; parent; person to whom the  
18 covered individual is legally married under the laws of any  
19 state; biological, foster, hanai, or adopted sibling; the spouse  
20 or reciprocal beneficiary of a sibling; or a reciprocal  
21 beneficiary.



1       "Qualifying exigency" means a circumstance arising from a  
2 notice of deployment of a service member received within seven  
3 days of deployment, or mandatory attendance of military events  
4 or related activities by the covered individual or the covered  
5 individual's family member that requires the covered individual  
6 to:

7       (1) Provide child care or attend school activities, if due  
8       directly or indirectly to the active duty call or  
9       active duty status of a service member;

10       (2) Make financial or legal arrangements for a service  
11       member's absence or as a result of the service  
12       member's absence;

13       (3) Attend counseling provided by someone other than a  
14       health care provider if the need for counseling arises  
15       from the active duty call or active duty of a service  
16       member; or

17       (4) Spend up to five days with a service member for each  
18       instance of short-term, temporary rest and  
19       recuperation leave during a period of deployment."

20       2. By amending the definition of "child" to read:



1        ""Child" means an individual who is a biological, adopted,  
2 hanai, or foster son or daughter; a stepchild; [~~or~~] a legal ward  
3 of [~~an employee~~] a covered individual; a child of a reciprocal  
4 beneficiary; a grandchild; or a child of a covered individual  
5 who stands in loco parentis."

6        3. By amending the definition of "employer" to read:

7        ""Employer" means any individual or organization, including  
8 the State, any of its political subdivisions, any  
9 instrumentality of the State or its political subdivisions, any  
10 partnership, association, trust, estate, joint stock company,  
11 insurance company, or corporation, whether domestic or foreign,  
12 or receiver or trustee in bankruptcy, or the legal  
13 representative of a deceased person, who employs one [~~hundred~~]  
14 or more employees for each working day during each of twenty or  
15 more calendar weeks in the current or preceding calendar year."

16        4. By amending the definition of "parent" to read:

17        ""Parent" means a biological, foster, hanai or adoptive  
18 parent, a parent-in-law, a stepparent, a legal guardian, a  
19 grandparent, [~~or~~] a grandparent-in-law[~~or~~], a parent or  
20 grandparent of a reciprocal beneficiary, or a person who stands  
21 in loco parentis for a minor child."



1 SECTION 4. Section 398-3, Hawaii Revised Statutes, is  
2 amended as follows:

3 1. By amending subsection (a) to read:

4 "(a) [~~An employee~~] A covered individual shall be entitled  
5 to a total of [~~four~~] sixteen weeks of family leave during any  
6 calendar year:

7 [~~(1) Upon the birth of a child of the employee or the  
8 adoption of a child; or~~

9 ~~(2) To care for the employee's child, spouse, reciprocal  
10 beneficiary, sibling, grandchild, or parent with a  
11 serious health condition.]~~

12 (1) To care for the covered individual's child within  
13 twelve months of the child's birth, foster placement  
14 with the covered individual, or placement for adoption  
15 with the covered individual;

16 (2) To care for a covered individual's family member with  
17 a serious health condition;

18 (3) To care for a qualifying service member who is the  
19 covered individual's next of kin; or

20 (4) Due to a qualifying exigency."

21 2. By amending subsection (e) to read:



1           "(e) Nothing in this chapter shall entitle [~~an employee~~] a  
2 covered individual to more than a total of [~~four~~] sixteen weeks  
3 of leave in any twelve-month period."

4           SECTION 5. Section 398-4, Hawaii Revised Statutes, is  
5 amended to read as follows:

6           "**§398-4 Unpaid leave permitted; relationship to paid**  
7 **leave; sick leave.** (a) Pursuant to section 398-3, [~~an~~  
8 ~~employee~~] a covered individual shall be entitled to [~~four~~]  
9 sixteen weeks of family leave. [~~The family leave shall consist~~  
10 ~~of unpaid leave, paid leave, or a combination of paid and unpaid~~  
11 ~~leave. If an employer provides paid family leave for fewer than~~  
12 ~~four weeks, the additional period of leave added to attain the~~  
13 ~~four-week total may be unpaid.] An employer who provides paid  
14 family leave beyond what is required by this chapter may require  
15 that the leave run concurrently with the sixteen weeks required  
16 under this chapter; provided that the employer shall not require  
17 the leave to be applied against accrued sick or vacation hours.~~

18           (b) Except as otherwise provided in subsection (c), [~~an~~  
19 ~~employee~~] a covered individual may elect to substitute any of  
20 the [~~employee's~~] covered individual's accrued paid leaves,  
21 including but not limited to vacation, personal, or family



1 leave, for any part of the [~~four-week~~] sixteen-week period in  
2 subsection (a).

3 (c) [~~An employer who provides sick leave for employees~~  
4 ~~shall permit an employee to use the employee's accrued and~~  
5 ~~available sick leave for purposes of this chapter; provided that~~  
6 ~~an employee shall not use more than ten days per year for this~~  
7 ~~purpose, unless an express provision of a valid collective~~  
8 ~~bargaining agreement authorizes the use of more than ten days of~~  
9 ~~sick leave for family leave purposes. Nothing in this section~~  
10 ~~shall require an employer to diminish an employee's accrued and~~  
11 ~~available sick leave below the amount required pursuant to~~  
12 ~~section 392-41; provided that any sick leave in excess of the~~  
13 ~~minimum statutory equivalent for temporary disability benefits~~  
14 ~~as determined by the department may be used for purposes of this~~  
15 ~~chapter.] No assignment, pledge, or encumbrance of any right to  
16 benefits that is or may become due or payable under this chapter  
17 shall be valid; and any right to benefits shall be exempt from  
18 levy, execution, attachment, garnishment, or any other remedy  
19 whatsoever provided for the collection of debt. No waiver of  
20 any exemption in this section shall be valid.~~



1        (d) Nothing in this chapter shall prevent a biological  
2 mother who is receiving temporary disability benefits for  
3 recovery from childbirth from applying for and receiving paid  
4 family leave for the purpose of caregiving and bonding with her  
5 child after the temporary disability time period has lapsed.  
6 For family leave purposes, there shall be no waiting period for  
7 benefits to begin.

8        (e) Benefits under the Family and Medical Leave Act of  
9 1993 shall run concurrently with benefits under this chapter."

10        SECTION 6. Section 398-21, Hawaii Revised Statutes, is  
11 amended by amending subsection (a) to read as follows:

12        "(a) Any individual claiming to be aggrieved by an alleged  
13 unlawful act under this chapter, including the denial of family  
14 leave insurance benefits, may file with the department a  
15 verified complaint in writing."

16        SECTION 7. Section 398-23, Hawaii Revised Statutes, is  
17 amended by amending subsection (d) to read as follows:

18        "(d) If the department determines after investigation that  
19 this chapter has been violated[7] by an employer, the department  
20 shall inform the employer and endeavor to remedy the violation  
21 by informal methods, such as conference or conciliation. If the



1 department determines that family leave insurance benefits have  
2 been wrongfully withheld, the department shall order immediate  
3 payment to the covered individual found to be entitled to those  
4 benefits."

5 SECTION 8. Section 398-24, Hawaii Revised Statutes, is  
6 amended by amending subsection (a) to read as follows:

7 "(a) Upon appeal by a complainant or the employer, the  
8 order issued by the department shall be subject to a de novo  
9 review by a hearings officer appointed by the director."

10 SECTION 9. Section 398-26, Hawaii Revised Statutes, is  
11 amended by amending subsection (b) to read as follows:

12 "(b) Relief under this section may include:

13 (1) The amount of any family leave insurance benefits,  
14 wages, salary, employment benefits, or other  
15 compensation denied or lost to the employee by reason  
16 of the violation; or

17 (2) In a case in which family leave insurance benefits,  
18 wages, salary, employment benefits, or other  
19 compensation have not been denied or lost to the  
20 employee, any actual monetary losses sustained by the  
21 employee as a direct result of the violation, such as



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1           the cost of providing care, up to a sum equal to four  
2           weeks of wages or salary for the employee."

3           SECTION 10. Section 398-2, Hawaii Revised Statutes, is  
4 repealed.

5           ~~["~~§398-2~~ **Inapplicability.** The rights provided under  
6 this chapter shall not apply to employees of an employer with  
7 fewer than one hundred employees."]~~

8           SECTION 11. The department of labor and industrial  
9 relations shall adopt rules pursuant to chapter 91, Hawaii  
10 Revised Statutes, to implement the purposes of this Act.

11          SECTION 12. There is appropriated out of the general  
12 revenues of the State of Hawaii the sum of \$                    or so  
13 much thereof as may be necessary for fiscal year 2023-2024 and  
14 the same sum or so much thereof as may be necessary for fiscal  
15 year 2024-2025 for the purpose of administering the family leave  
16 insurance program, including the oversight of payroll  
17 deductions, administrative processes, and payment to eligible  
18 employees.

19          The sums appropriated shall be expended by the department  
20 of labor and industrial relations for the purposes of this Act.





# S.B. NO. 360

**Report Title:**

Family Leave Insurance Program; Family Leave Insurance Benefits; Appropriation

**Description:**

Requires the department of labor and industrial relations to establish and administer a family leave insurance program. Provides family leave insurance benefits and extends the period of family leave to 16 weeks for businesses that employ one or more employees who meet the hourly qualifications. Eliminates the previous threshold of 100 employees for employers to be subject to the family leave law. Appropriates funds.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

