

STAND. COM. REP. NO.

3132

Honolulu, Hawaii

MAR 20 2024

RE: H.B. No. 2463
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Labor and Technology, to which was referred H.B. No. 2463, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE WAGE AND HOUR LAW,"

begs leave to report as follows:

The purpose and intent of this measure is to change the definition of "employee" in Hawaii's Wage and Hour Law to exclude any employee who receives guaranteed compensation totaling \$4,000 or more a month.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, Democratic Party of Hawai'i Education Caucus, Hawai'i Children's Action Network Speaks!, Democratic Party of Hawai'i, and Democratic Party of Hawai'i Labor Caucus.

Your Committee received comments on this measure from the Maui Chamber of Commerce.

Your Committee finds that under the existing Hawaii Wage and Hour Law, the definition of "employee" excludes individuals who are employed at a guaranteed compensation totaling \$2,000 or more a month. These employees are not provided the protection of minimum or overtime wage rates, and their employers are not required to comply with the law's recordkeeping provisions, also

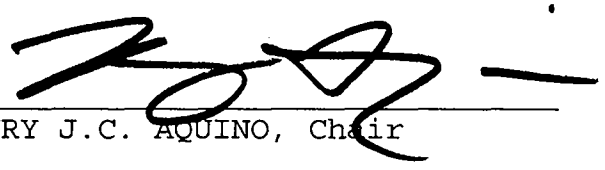


designed to protect workers. Your Committee further finds that while minimum wage continues to be increased, the guaranteed compensation exemption has not been adjusted correspondingly. The last time the guaranteed compensation level was changed was in 2002, while minimum wage has been adjusted nine times since, and as of today, a monthly compensation of \$2,000 is lower than the monthly wage of an employee earning the current minimum wage of \$14.00 per hour. This measure will allow more employees to be eligible for minimum wage, overtime compensation, and recordkeeping requirements under the State's Wage and Hour Law.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Labor and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2463, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2463, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Labor and
Technology,



HENRY J.C. AQUINO, Chair

The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Labor and Technology
LBT

Bill / Resolution No.:* HB 2463 HD2	Committee Referral: LBT, NAM	Date: 9/13/24
---	--	-------------------------

The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
AQUINO, Henry J.C. (C)	X			
MORIWAKI, Sharon Y. (VC)		X		
IHARA, Jr., Les	X			
LEE, Chris	X			
FEVELLA, Kurt	X			
TOTAL	4	1		

Recommendation:
 Adopted
 Not Adopted

Chair's or Designee's Signature: _____

Distribution:
 Original Yellow Pink Goldenrod
 File with Committee Report Clerk's Office Drafting Agency Committee File Copy

*Only one measure per Record of Votes