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# A BILL FOR AN ACT

RELATING TO PAID FAMILY LEAVE.

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

1 PART I

2 SECTION 1. The Hawaii Revised Statutes is amended by  
3 adding a new chapter to be appropriately designated and to read  
4 as follows:

5 "CHAPTER

6 PAID FAMILY AND MEDICAL LEAVE

7 § -1 Definitions. As used in this chapter, unless the  
8 context clearly requires otherwise:

9 "Application year" means the twelve-month period beginning  
10 on the first day of the calendar week in which an individual  
11 files an application for family and medical leave insurance  
12 benefits.

13 "Covered individual" means:

14 (1) Any person who:

15 (A) Has been working for an employer for at least  
16 fourteen weeks, during each of which the  
17 individual has received remuneration in any form



1                   for twenty or more hours and earned wages of at  
2                   least \$400, during the fifty-two weeks  
3                   immediately prior to paid leave granted under  
4                   this chapter; or

5                   (B) Is self-employed, elects coverage, and meets the  
6                   requirements of section       -13;

7                   (2) Meets the administrative requirements outlined in this  
8                   chapter and in rules adopted pursuant to this chapter;  
9                   and

10                  (3) Submits an application.

11                  "Department" means the department of labor and industrial  
12                  relations.

13                  "Director" means the director of labor and industrial  
14                  relations.

15                  "Domestic partner" means a person at least eighteen years  
16                  of age who:

17                  (1) Is dependent upon the covered individual for support  
18                       as shown by either unilateral dependence or mutual  
19                       interdependence that is evidenced by a nexus of  
20                       factors, including but not limited to:

21                  (A) Common ownership of real or personal property;



- 1 (B) Common householding;
- 2 (C) Children in common;
- 3 (D) Signs of intent to marry;
- 4 (E) Shared budgeting; and
- 5 (F) The length of the personal relationship with the
- 6 covered individual; or

7 (2) Has registered as the domestic partner of the covered  
8 individual with any registry of domestic partnerships  
9 maintained by the employer of either party, or in any  
10 state, county, city, town, or village in the United  
11 States.

12 "Employee" includes any individual employed by an employer.

13 "Employer" has the same meaning as in section 387-1;  
14 provided that "employer" shall include the State or counties or  
15 any political subdivision thereof.

16 "Family leave" means leave taken pursuant to  
17 section -2(a).

18 "Family leave insurance benefits" means the benefits  
19 provided under the terms of this chapter to a covered individual  
20 while the covered individual is on family leave.

21 "Family member" means:



1           (1) A biological, adopted, or foster child, stepchild, or  
2           legal ward, a child of a domestic partner, or a child  
3           to whom the covered individual stands in loco  
4           parentis;

5           (2) A biological, adoptive, or foster parent, stepparent,  
6           or legal guardian of a covered individual or a covered  
7           individual's spouse or domestic partner, or a person  
8           who stood in loco parentis when the covered individual  
9           or the covered individual's spouse or domestic partner  
10          was a minor child;

11          (3) A person to whom the covered individual is legally  
12          married under the laws of any state, or a domestic  
13          partner of a covered individual; or

14          (4) A grandparent, grandchild, or sibling (whether a  
15          biological, foster, adoptive or step relationship) of  
16          the covered individual or the covered individual's  
17          spouse or domestic partner.

18          "Health care provider" means any person licensed under  
19          federal or state law to provide medical or emergency services,  
20          including but not limited to doctors, nurses, and emergency room  
21          personnel, or certified midwives.



1 "Medical leave" means leave taken pursuant to  
2 section -2(b) .

3 "Medical leave insurance benefits" means the benefits  
4 provided under the terms of this chapter to a covered individual  
5 while the covered individual is on medical leave.

6 "Next of kin" has the same meaning as in section 101(17) of  
7 the federal Family and Medical Leave Act (29 U.S.C. 2611(17)).

8 "Qualifying exigency" means leave based on a need arising  
9 out of a covered individual's family member's active duty  
10 service or notice of an impending call or order to active duty  
11 in the armed forces, including but not limited to providing for  
12 the care or other needs of the military member's dependent,  
13 making financial or legal arrangements for the military member,  
14 attending counseling, attending military events or ceremonies,  
15 spending time with the military member during a rest and  
16 recuperation leave or following return from deployment, or  
17 making arrangements following the death of the military member.

18 "Qualifying service member" means:

19 (1) A member of the armed forces, including a member of  
20 the national guard or reserves, who is:



(A) Undergoing medical treatment, recuperation, or therapy;

(B) Otherwise in outpatient status; or

(C) Is otherwise on the temporary disability retired list for a serious injury or illness that was incurred by the member in the line of duty on active duty in the armed forces, or a serious injury or illness that existed before the beginning of the member's active duty and was aggravated by service in the line of duty on active duty in the armed forces; or

(2) A former member of the armed forces, including a former member of the national guard or reserves, who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness that was incurred by the member in line of duty on active duty in the armed forces, or a serious injury or illness that existed before the beginning of the member's active duty and was aggravated by service in line of duty on active duty in the armed forces and manifested



1           before or after the member was discharged or released  
2           from service.

3           "Retaliatory personnel action" means denial of any right  
4           guaranteed under this chapter, including but not limited to any  
5           threat, discharge, suspension, demotion, reduction of hours, any  
6           other adverse action against an employee for the exercise of any  
7           right guaranteed in this chapter, or reporting or threatening to  
8           report an employee's suspected citizenship or immigration status  
9           or the suspected citizenship or immigration status of a family  
10          member of the employee to a federal or state agency.

11          "Retaliatory personnel action" includes interference with or  
12          punishment for, in any manner, participating in or assisting an  
13          investigation, proceeding, or hearing under this chapter.

14          "Serious health condition" is an illness, injury,  
15          impairment, pregnancy, recovery from childbirth, organ donation,  
16          termination of pregnancy, or physical or mental condition that  
17          involves inpatient care in a hospital, hospice, or residential  
18          medical care facility, or continuing treatment by a health care  
19          provider.

20          "State average weekly wage" has the same meaning as in  
21          section 386-1.



1       §   -2   **Eligibility of benefits.**   (a)   Beginning January 1,  
2   2028, family leave insurance benefits shall be payable to an  
3   individual who:

4       (1)   Qualifies as a covered individual; and

5       (2)   Meets one of the 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 with a serious  
11                 health condition;

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

14          (D)   Is a victim of domestic abuse, sexual assault, or  
15                 stalking who needs leave for medical attention;  
16                 mental health care or other counseling; victim  
17                 services, including legal services; court  
18                 appearances; or relocation for themselves or a  
19                 family member; or

20          (E)   Has a qualifying exigency.





1           (b) Beginning January 1, 2028, medical leave insurance  
2 benefits shall be payable to an individual who:

3           (1) Qualifies as a covered individual; and

4           (2) Has a serious health condition that makes the covered  
5 individual unable to perform the functions of the  
6 covered individual's position, unless the condition is  
7 due to a personal injury of an employee that is  
8 subject to or eligible for compensation under chapter  
9 386.

10       §   -3 **Duration of benefits.** (a) The maximum number of  
11 weeks during which family leave insurance benefits are payable  
12 in an application year shall be twelve weeks.

13       (b) The maximum number of weeks during which medical leave  
14 insurance benefits are payable in an application year shall be  
15 twenty-six weeks.

16       (c) The first payment of benefits shall be made to a  
17 covered individual within two weeks after the family leave  
18 begins, and subsequent payments shall be made every two weeks  
19 thereafter.



1 (d) Claims may be filed up to forty-five days in advance  
2 of the family leave, if anticipation of the family leave is  
3 possible.

4 § -4 Amount of benefits. (a) Subject to the maximum  
5 weekly benefit amount pursuant to subsection (b), the weekly  
6 benefit shall be calculated by adding the amounts obtained by  
7 applying the following percentage to a covered individual's  
8 average weekly wage during the twelve months preceding  
9 submission of the application or the average weekly wage during  
10 the time the covered individual worked, if less than twelve  
11 months:

- 12 (1) Ninety per cent of wages that are equal to or less  
13 than fifty per cent of the state average weekly wage;  
14 (2) Sixty-six per cent of wages that exceed fifty per cent  
15 of the state average weekly wage but is not more than  
16 one hundred per cent; and  
17 (3) Fifty-five per cent of wages that exceed one hundred  
18 per cent of the state average weekly wage.

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



1 (c) Family and medical leave insurance benefits shall not  
2 be payable for less than eight hours of family and medical leave  
3 taken in one work week.

4 § -5 Contributions. (a) Payroll contributions shall be  
5 authorized in order to finance the payment of benefits under and  
6 for administration and operation of the family and medical leave  
7 insurance program.

8 (b) Beginning January 1, 2027, payroll contributions shall  
9 be paid by employers and employees in an amount to be determined  
10 by the department, based on a per cent of employee wages. The  
11 department shall be responsible for evaluating and determining  
12 on an annual basis the amount of payroll contributions necessary  
13 to finance the family and medical leave insurance benefits  
14 program.

15 (c) An employer may deduct and withhold contributions from  
16 each employee of up to fifty per cent of the amount of payroll  
17 contribution determined by the department.

18 (d) An employer with five or more employees shall remit  
19 one hundred per cent of the amount of payroll contribution  
20 determined by the department to the family and medical leave  
21 trust fund.



1           (e) An employer with fewer than five employees shall remit  
2 fifty per cent of the amount of payroll contribution determined  
3 by the department to the family and medical leave trust fund.

4           (f) A self-employed individual who is electing coverage  
5 under section -13 shall remit fifty per cent of the amount of  
6 payroll contribution determined by the department to the family  
7 and medical leave trust fund.

8           § -6 **Reduced leave schedule.** (a) A covered individual  
9 shall be entitled, at the option of the covered individual, to  
10 take paid family and medical leave on an intermittent or reduced  
11 leave schedule in which all of the leave authorized under this  
12 chapter is not taken sequentially. Family and medical leave  
13 insurance benefits for intermittent or reduced leave schedules  
14 shall be prorated.

15           (b) The covered individual shall provide the employer with  
16 prior notice of the schedule on which the covered individual  
17 will be taking the leave, to the extent practicable. Paid  
18 family and medical leave taken under this section shall not  
19 result in a reduction of the total amount of leave to which an  
20 employee is entitled beyond the amount of leave actually taken.



1 (c) Nothing in this section shall be construed to entitle  
2 a covered individual to more leave than allowed under  
3 section -3.

4 § -7 **Leave and employment protection.** (a) Any covered  
5 individual who exercises the covered individual's right to  
6 family and medical leave insurance benefits shall, upon the  
7 expiration of that leave, be entitled to be restored by the  
8 employer to the position held by the covered individual when the  
9 leave commenced, or to a position with equivalent seniority,  
10 status, employment benefits, pay, and other terms and conditions  
11 of employment, including but not limited to fringe benefits and  
12 service credits that the covered individual had been entitled to  
13 at the commencement of leave.

14 (b) During any leave taken pursuant to section -2, the  
15 employer shall maintain any health care benefits the covered  
16 individual had prior to taking such leave for the duration of  
17 the leave as if the covered individual had continued in  
18 employment continuously from the date the covered individual  
19 commenced the leave until the date the family and medical leave  
20 insurance benefits terminate; provided that the covered  
21 individual shall continue to pay the covered individual's share



1 of the cost of health benefits as required prior to the  
2 commencement of the leave.

3 (c) This section shall be enforced as provided in  
4 chapter 398.

5 **§ -8 Retaliatory personnel actions prohibited.** (a) It  
6 shall be unlawful for an employer or any other person to  
7 interfere with, restrain, or deny the exercise of, or the  
8 attempt to exercise, any right protected under this chapter.

9 (b) An employer, temporary help company, employment  
10 agency, employee organization, or other person shall not take  
11 retaliatory personnel action or otherwise discriminate against a  
12 person because the person exercised rights protected under this  
13 chapter. These rights include but are not limited to the right  
14 to request, file for, apply for, or use benefits or leave  
15 provided for under this chapter; communicate to the employer or  
16 any other person or entity an intent to file a claim, a  
17 complaint with the department or courts, or an appeal; testify,  
18 plan to testify, or assist in any investigation, hearing, or  
19 proceeding under this chapter, at any time, including during the  
20 period in which the person receives family and medical leave  
21 insurance benefits under this chapter; inform any person about



1 any employer's alleged violation of this chapter; and inform any  
2 other person of the other person's rights under this chapter.

3 (c) It shall be unlawful for an employer's absence control  
4 policy to count paid family and medical leave taken under this  
5 chapter as an absence that may lead to or result in discipline,  
6 discharge, demotion, suspension, or any other adverse action.

7 (d) Protections of this section shall apply to any person  
8 who mistakenly, but in good faith, alleges violations of this  
9 chapter.

10 (e) This section shall be enforced as provided in  
11 chapter 398.

12 **§ -9 Coordination of benefits.** (a) Leave taken with  
13 wage replacement under this chapter that also qualifies as leave  
14 under the federal Family and Medical Leave Act or chapter 398  
15 shall run concurrently with leave taken under the federal Family  
16 and Medical Leave Act or chapter 398.

17 (b) An employer may require that payment made pursuant to  
18 this chapter be made concurrently or otherwise coordinated with  
19 payment made or leave allowed under the terms of disability or  
20 family care leave under a collective bargaining agreement or



1 employer policy. The employer shall give employees written  
2 notice of this requirement.

3 (c) This chapter does not diminish an employer's  
4 obligation to comply with any of the following that provide more  
5 generous leave:

6 (1) A collective bargaining agreement;

7 (2) An employer policy; or

8 (3) Any other law.

9 (d) An individual's right to leave under this chapter may  
10 not be diminished by a collective bargaining agreement entered  
11 into or renewed, or an employer policy adopted or retained,  
12 after the effective date of this chapter. Any agreement by an  
13 individual to waive the individual's rights under this chapter  
14 is void as against public policy.

15 § -10 Notice. (a) Each employer shall provide written  
16 notice to each employee upon hiring and annually thereafter. An  
17 employer shall also provide written notice to an employee when  
18 the employee requests leave under this chapter, or when the  
19 employer acquires knowledge that an employee's leave may be for  
20 a qualifying reason under section -2(a)(2). Such notice  
21 shall include:





- 1           (1) The employee's right to family and medical leave
- 2               insurance benefits under this chapter and the terms
- 3               under which the benefits may be used;
- 4           (2) The amount of family and medical leave insurance
- 5               benefits;
- 6           (3) The procedure for filing a claim for benefits;
- 7           (4) The procedure for selecting a designated person;
- 8           (5) The right to employment protection and benefits
- 9               continuation under section       -7;
- 10          (6) That discrimination and retaliatory personnel actions
- 11               against a person for requesting, applying for, or
- 12               using family and medical leave insurance benefits is
- 13               prohibited under section       -8; and
- 14          (7) That the employee has a right to file a complaint for
- 15               violations of this chapter.

16          (b) An employer shall display and maintain a poster in a

17 conspicuous place accessible to employees at the employer's

18 place of business that contains the information required by this

19 section in English, Ilocano, Tagalog, Japanese, and any language

20 that is the first language spoken by at least five per cent of

21 the employer's workforce; provided that the notice has been



1 provided by the department. The director may adopt rules to  
2 establish additional requirements concerning the means by which  
3 employers shall provide such notice.

4 (c) Employees shall provide notice to their employers as  
5 soon as practicable of their intention to take leave under this  
6 chapter.

7 **§ -11 Appeals.** (a) The director shall establish a  
8 system for appeals in the case of a denial of family and medical  
9 leave insurance benefits. In establishing the system, the  
10 director may utilize any and all procedures and appeals  
11 mechanisms established under section 383-38.

12 (b) Judicial review of any decision with respect to family  
13 and medical leave insurance benefits shall be permitted in a  
14 court of competent jurisdiction after an aggrieved party has  
15 exhausted all administrative remedies established by the  
16 director.

17 (c) The director shall implement procedures to ensure  
18 confidentiality of all information related to any claims filed  
19 or appeals taken to the maximum extent permitted by applicable  
20 laws.



1           §    -12   **Erroneous payments and disqualifications for**  
2 **benefits.**   (a)   A covered individual shall be disqualified from  
3 family and medical leave insurance benefits for one year if the  
4 individual is determined by the director to have knowingly and  
5 wilfully made a false statement or misrepresentation regarding a  
6 material fact, or knowingly and wilfully failed to report a  
7 material fact, to obtain benefits under this chapter.

8           (b)   If family and medical leave insurance benefits are  
9 paid erroneously or as a result of misrepresentation, or if a  
10 claim for family and medical leave insurance benefits is  
11 rejected after benefits are paid, the department may seek  
12 repayment of benefits and penalties from the recipient. The  
13 amount of penalty shall not be greater than one hundred fifty  
14 per cent of the amount of benefits paid erroneously to the  
15 recipient. The director shall exercise the director's  
16 discretion to waive, in whole or in part, the amount of any  
17 payments and penalties where the recovery would be against  
18 equity and good conscience.

19           §    -13   **Elective coverage.**   (a)   A self-employed person,  
20 including a sole proprietor, partner, or joint venturer, may  
21 elect coverage under this chapter for an initial period of not



1 less than three years. The self-employed person shall file a  
2 notice of election in writing with the director, as required by  
3 the department. The election shall become effective on the date  
4 of filing the notice. As a condition of election, the self-  
5 employed person shall agree to supply any information concerning  
6 income that the department deems necessary.

7 (b) A self-employed person who has elected coverage may  
8 withdraw from coverage within thirty days after the end of the  
9 three-year period of coverage, or at other times as the director  
10 may prescribe by rule, by filing written notice with the  
11 director. The withdrawal shall take effect no sooner than  
12 thirty days after filing the notice.

13 **§ -14 Family and medical leave insurance program.** (a)  
14 By January 1, 2027, the department shall establish and  
15 administer a family and medical leave insurance program and  
16 begin collecting contributions as specified in this chapter. By  
17 January 1, 2028, the department shall begin receiving claims and  
18 paying family and medical leave insurance benefits as specified  
19 in this chapter.

20 (b) The department shall establish reasonable procedures  
21 and forms for filing claims for benefits under this chapter and



1 shall specify the necessary supporting documentation to support  
2 a claim for benefits, including any documentation required from  
3 a health care provider for proof of a serious health condition  
4 and any documentation required by the department to meet the  
5 eligibility requirements for family leave.

6 (c) The department shall notify the employer within five  
7 business days of a claim being filed pursuant to this chapter.

8 (d) The department shall use information sharing and  
9 integration technology to facilitate the disclosure of relevant  
10 information or records so long as the covered individual  
11 consents to the disclosure as required under state law.

12 (e) Information contained in the files and records  
13 pertaining to a covered individual under this chapter shall be  
14 confidential and not open to public inspection, other than to  
15 public employees in the performance of their official duties;  
16 provided that the individual or an authorized representative of  
17 an individual may review the records or receive specific  
18 information from the records upon the presentation of the  
19 individual's signed authorization.

20 (f) The director shall adopt rules as necessary to  
21 implement this chapter.



1       §    **-15 Federal income tax.** If the Internal Revenue  
2 Service determines that family and medical leave insurance  
3 benefits under this chapter are subject to federal income tax,  
4 the department shall advise a covered individual filing a new  
5 claim for family and medical leave insurance benefits, at the  
6 time of filing the claim, that:

- 7       (1) The Internal Revenue Service has determined that  
8           benefits are subject to federal income tax;  
9       (2) Requirements exist pertaining to estimated tax  
10           payments;  
11       (3) The individual may elect to have federal income tax  
12           deducted and withheld from the individual's payment of  
13           benefits in the amount specified in the Internal  
14           Revenue Code of 1986, as amended; and  
15       (4) The individual is permitted to change a previously  
16           elected withholding status.

17       §    **-16 Family and medical leave trust fund.** (a) There  
18 is established in the treasury of the State as a trust fund,  
19 separate and apart from all public moneys or funds of the State,  
20 a family and medical leave trust fund, which shall be  
21 administered by the department exclusively for the purposes of



1 this chapter. All contributions pursuant to this chapter shall  
2 be paid into the fund and all benefits payable pursuant to this  
3 chapter shall be paid from the fund. All moneys in the fund  
4 shall be mingled and undivided.

5 (b) Whenever in the judgment of the director of finance  
6 there shall be in the trust fund an amount of funds in excess of  
7 that amount deemed by the director of finance to be sufficient  
8 to meet the current expenditures properly payable therefrom, the  
9 director of finance shall have full power to invest, reinvest,  
10 manage, contract, sell, or exchange investments acquired with  
11 the excess funds in the manner prescribed by law.

12 (c) On January 1, 2026, or as soon as possible thereafter,  
13 the director of finance shall transfer \$ from the  
14 general fund as a loan to the family and medical leave trust  
15 fund for the purpose of defraying expenses incurred by the  
16 department, including hiring and employing personnel to perform  
17 functions relating to the establishment and administration of  
18 the family and medical leave trust fund, before the family and  
19 medical leave trust fund receives payroll contributions.

20 (d) No later than December 31, 2029, the department shall  
21 repay the loan received pursuant to subsection (c).



1       §    **-17 Reports.** Beginning January 1, 2029, the  
2 department shall report to the legislature by April 1 of each  
3 year on projected and actual program participation in the family  
4 and medical leave insurance program and include the criteria  
5 listed in section     -2(a)(2), gender of beneficiary, premium  
6 rates, fund balances, outreach efforts, and, for leaves taken  
7 under section     -2(a)(2)(B), family members for whom leave was  
8 taken to provide care.

9       §    **-18 Public education.** The department shall conduct a  
10 public education campaign to inform employees and employers  
11 regarding the availability of family and medical leave insurance  
12 benefits. Outreach information shall be available in English,  
13 Ilocano, Chuukese, Marshallese, Tagalog, Spanish, and other  
14 languages spoken by more than five per cent of the students in  
15 the department of education's English learner program.

16       §    **-19 Sharing technology.** The department may use state  
17 data collection and technology to the extent possible and to  
18 integrate the program with existing state policies.

19       §    **-20 Severability.** If any provision of this chapter or  
20 its application to any person or circumstance is held invalid,  
21 the invalidity shall not affect other provisions or applications





1 of the chapter which can be given effect without the invalid  
2 provision or application, and to this end the provisions of this  
3 chapter are declared to be severable."

4 SECTION 2. The department shall adopt all rules necessary  
5 for implementation of this part by January 1, 2026.

6 PART II

7 SECTION 3. Chapter 392, Hawaii Revised Statutes, is  
8 repealed.

9 SECTION 4. Subpart B of part VI of chapter 378, Hawaii  
10 Revised Statutes, is repealed.

11 PART III

12 SECTION 5. Section 41D-2, Hawaii Revised Statutes, is  
13 amended by amending subsection (a) to read as follows:

14 "(a) The comptroller, through the risk manager, shall:

15 (1) Have discretion to purchase casualty insurance for the  
16 State or state agencies, including those employees of  
17 the State who, in the comptroller's discretion, may be  
18 at risk and shall be responsible for the acquisition  
19 of all casualty insurance;



1           (2) Have discretion to purchase property insurance for the  
2           State or state agencies and shall acquire all property  
3           insurance;

4           (3) Direct and manage all risk management and insurance  
5           programs of the State, except for employee benefits  
6           insurance and workers' compensation insurance programs  
7           or as otherwise provided in chapters 87A, 88, 383 to  
8           386A, ~~[392,]~~ and 393;

9           (4) Consult with state agencies to determine what  
10          property, casualty, and other insurance policies are  
11          presently in force or are sought by the state agencies  
12          and to make determinations about whether to continue  
13          subscribing to insurance policies. In the event that  
14          the risk manager's determination is not satisfactory  
15          to the state agency, the state agency may have the  
16          risk manager's decision reviewed by the comptroller.  
17          In this case, the comptroller's decision shall be  
18          final;

19          (5) Consolidate and combine state insurance coverages, and  
20          purchase excess insurance when, in the comptroller's  
21          discretion, it is appropriate to do so;



- 1           (6) Acquire risk management, investigative, claims  
2           adjustment, actuarial, and other services, except  
3           attorney's services, as may be required for the sound  
4           administration of this chapter; provided that a broker  
5           submitting a proposal in response to a fixed fee  
6           solicitation by the comptroller pursuant to this  
7           subsection and the broker's performance of the  
8           activities in accordance with the proposal shall not  
9           constitute a violation of sections 431:10-218,  
10          431:13-102, and 431:13-103;
- 11          (7) Gather from all state agencies and maintain data  
12          regarding the State's risks and casualty, property,  
13          and fidelity losses;
- 14          (8) In conjunction with the attorney general and as  
15          otherwise provided by this chapter, compromise or  
16          settle claims cognizable under chapter 662;
- 17          (9) Provide technical services in risk management and  
18          insurance to state agencies;
- 19          (10) Be authorized to establish a captive insurance company  
20          pursuant to article 19 of chapter 431 to effectuate  
21          the purposes of this chapter; and



1           (11) Do all other things appropriate to the development of  
2                   sound risk management practices and policies for the  
3                   State."

4           SECTION 6. Section 103D-310, Hawaii Revised Statutes, is  
5 amended by amending subsection (c) to read as follows:

6           "(c) All offerors, upon award of contract, shall comply  
7 with all laws governing entities doing business in the State,  
8 including chapters 237, 383, 386, [~~392,~~] and 393. Offerors  
9 shall produce documents to the procuring officer to demonstrate  
10 compliance with this subsection. Any offeror making a false  
11 affirmation or certification under this subsection shall be  
12 suspended from further offerings or awards pursuant to section  
13 103D-702. The procuring officer shall verify compliance with  
14 this subsection for all contracts awarded pursuant to sections  
15 103D-302, 103D-303, 103D-304, and 103D-306, and for contracts  
16 and procurements of \$2,500 or more awarded pursuant to section  
17 103D-305; provided that the attorney general may waive the  
18 requirements of this subsection for contracts for legal services  
19 if the attorney general certifies in writing that comparable  
20 legal services are not available in this State."



1       SECTION 7. Section 393-3, Hawaii Revised Statutes, is  
2 amended by amending the definition of "wages" to read as  
3 follows:

4       ""Wages" means all remuneration for services from whatever  
5 source, including commissions, bonuses, and tips and gratuities  
6 paid directly to any individual by a customer of the  
7 individual's employer, and the cash value of all remuneration in  
8 any medium other than cash.

9       The director may issue [~~regulations~~] rules for the  
10 reasonable determination of the cash value of remuneration in  
11 any medium other than cash.

12       If the employee does not account to the employee's employer  
13 for the tips and gratuities received and is engaged in an  
14 occupation in which the employee customarily and regularly  
15 receives more than \$20 a month in tips, the combined amount  
16 received by the employee from the employee's employer and from  
17 tips shall be deemed to be at least equal to the wage required  
18 by chapter 387 or a greater sum as determined by regulation of  
19 the director.

20       "Wages" does not include the amount of any payment  
21 specified in section 383-11 [~~or 392-22~~] or chapter 386."



1       SECTION 8. Section 398-4, Hawaii Revised Statutes, is  
2 amended by amending subsection (c) to read as follows:

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.]"~~

16       SECTION 9. Section 431:10-244, Hawaii Revised Statutes, is  
17 amended to read as follows:

18       "**§431:10-244 Filing procedure for contracts approved by**  
19 **commissioner.** Each insurance contract requiring approval by the  
20 commissioner pursuant to this code~~[, section 392-48,]~~ or section  
21 386-124 and each contract certified by the insurer to be in



1 conformity with this code shall be accompanied by a \$20 fee  
2 payable to the commissioner, which shall be deposited into the  
3 commissioner's education and training fund."

4 PART IV

5 SECTION 10. Chapter 378, Hawaii Revised Statutes, is  
6 amended by amending the title of part VI, subpart C, to read as  
7 follows:

8 "[~~C.~~] B. REASONABLE ACCOMMODATIONS IN THE WORKPLACE"

9 SECTION 11. Section 378-71, Hawaii Revised Statutes, is  
10 amended as follows:

11 1. By repealing the definition of "child".

12 [~~"Child" means an individual who is a biological, adopted,~~  
13 ~~or foster son or daughter; a stepchild; or a legal ward of an~~  
14 ~~employee."]~~

15 2. By repealing the definition of "course of conduct".

16 [~~"Course of conduct" means acts over any period of time of~~  
17 ~~repeatedly maintaining a visual or physical proximity to a~~  
18 ~~person or conveying verbal or written threats, including threats~~  
19 ~~conveyed through electronic communications or threats implied by~~  
20 ~~conduct."]~~



1       3. By repealing the definition of "electronic  
2   communications".

3           ~~["Electronic communications" includes communications via~~  
4   ~~telephone, mobile phone, computer, e-mail, video recorder, fax~~  
5   ~~machine, telex, or pager."]~~

**6** 4. By repealing the definition of "health care provider".

~~["Health-care provider" means a physician as defined under~~  
~~section 386-1."]~~

## 9 PART V

SECTION 12. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the invalidity does not affect other provisions or applications of the Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

16       SECTION 13. Statutory material to be repealed is bracketed  
17 and stricken. New statutory material is underscored.

18           SECTION 14. This Act shall take effect on July 1, 2025;  
19   provided that parts II, III, and IV shall take effect on the  
20   earlier of January 1, 2028, or the start of the department of  
21   labor and industrial relations receiving claims and paying





1 family and medical leave insurance benefits as specified under  
2 chapter , Hawaii Revised Statutes.

3

INTRODUCED BY:



JAN 17 2025



# H.B. NO. 695

**Report Title:**

Family and Medical Leave Insurance Program; Family and Medical Leave Insurance Benefits; Department of Labor and Industrial Relations

**Description:**

By 1/1/2027, requires the Department of Labor and Industrial Relations to establish a family and medical leave insurance program and begin collecting payroll contributions to finance payment of benefits. By 1/1/2028, requires the Department to start receiving claims and paying benefits under the program. Specifies eligibility requirements and employee protections under the program.

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

