
A BILL FOR AN ACT

RELATING TO WORKERS' COMPENSATION.

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

1 SECTION 1. Section 386-1, Hawaii Revised Statutes, is
2 amended by amending the definition of "employment" to read as
3 follows:

4 "Employment" means any service performed by an individual
5 for another person under any contract of hire or apprenticeship,
6 express or implied, oral or written, whether lawfully or
7 unlawfully entered into[-]; including, unless waived by the
8 individual, service performed by an individual for a limited
9 liability company and the individual owns at least fifty per
10 cent of the company. It includes service of public officials,
11 whether elected or under any appointment or contract of hire
12 express or implied.

13 "Employment" does not include the following service:

14 (1) Service for a religious, charitable, educational, or
15 nonprofit organization if performed in a voluntary or
16 unpaid capacity;

17 (2) Service for a religious, charitable, educational, or
18 nonprofit organization if performed by a recipient of



- 1 aid therefrom and the service is incidental to or in
2 return for the aid received;
- 3 (3) Service for a school, college, university, college
4 club, fraternity, or sorority if performed by a
5 student who is enrolled and regularly attending
6 classes and in return for board, lodging, or tuition
7 furnished, in whole or in part;
- 8 (4) Service performed by a duly ordained, commissioned, or
9 licensed minister, priest, or rabbi of a church in the
10 exercise of the minister's, priest's, or rabbi's
11 ministry or by a member of a religious order in the
12 exercise of nonsecular duties required by the order;
- 13 (5) Service performed by an individual for another person
14 solely for personal, family, or household purposes if
15 the cash remuneration received is less than \$225
16 during the current calendar quarter and during each
17 completed calendar quarter of the preceding twelve-
18 month period;
- 19 (6) Domestic, which includes attendant care, and day care
20 services authorized by the department of human
21 services under the Social Security Act, as amended,



- 1 performed by an individual in the employ of a
2 recipient of social service payments;
- 3 (7) Service performed without wages for a corporation
4 without employees by a corporate officer in which the
5 officer is at least a twenty-five per cent
6 stockholder;
- 7 (8) Service performed by an individual for a corporation
8 if the individual owns at least fifty per cent of the
9 corporation; provided that no employer shall require
10 an employee to incorporate as a condition of
11 employment; and
- 12 (9) Service performed by an individual for another person
13 as a real estate salesperson or as a real estate
14 broker, if all the service performed by the individual
15 for the other person is performed for remuneration
16 solely by way of commission.

17 As used in this paragraph "religious, charitable, educational,
18 or nonprofit organization" means a corporation, unincorporated
19 association, community chest, fund, or foundation organized and
20 operated exclusively for religious, charitable, or educational
21 purposes, no part of the net earnings of which inure to the
22 benefit of any private shareholder or individual."



S.B. NO. 2510

1 SECTION 2. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 3. This Act shall take effect upon its approval.
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SB. NO. 2510

Report Title:
Work Comp; LLC

Description:

Authorizes an individual to waive coverage under workers' compensation if service is performed by an individual for a limited liability company and the individual owns at least fifty per cent of the company.

