
A BILL FOR AN ACT

RELATING TO STATE SALARIES.

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

1 SECTION 1. Section 78-12, Hawaii Revised Statutes, is
2 amended by amending subsection (f) to read as follows:

3 "(f) Regardless of whether a contested determination of
4 indebtedness is pending, the disbursing officer shall commence
5 immediate recovery of the indebtedness as provided in this
6 subsection~~[-]~~; provided that a recovery shall not commence after
7 three years from the date of the indebtedness. If the
8 indebtedness is equal to or less than \$1,000, the disbursing
9 officer shall immediately deduct from any subsequent periodic
10 payment normally due the employee any amount up to the total
11 amount of indebtedness and for indebtedness greater than \$1,000,
12 the disbursing officer shall deduct:

13 (1) An amount agreed to by the employee and the appointing
14 authority, but not less than \$100 per pay period; or

15 (2) One-quarter of the salary, wages, or compensation due
16 the employee until the indebtedness is repaid in full.

17 In addition to paragraph (1), an employee and the appointing
18 authority may agree to offset any remaining amount of

1 indebtedness by applying the current value of appropriate leave
2 or compensatory time credits posted in the employee's respective
3 accounts as balances that would otherwise be payable in cash
4 upon separation from service; provided that credits shall not be
5 applied to any extent that would require a refund of any moneys
6 already deducted or repaid or that would require the payment of
7 any moneys to the employee equivalent to a cashing out of leave
8 or compensatory time credits."

9 SECTION 2. This Act does not affect rights and duties that
10 matured, penalties that were incurred, and proceedings that were
11 begun, before its effective date.

12 SECTION 3. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 4. This Act shall take effect on July 1, 2050.

Report Title:

State Salary; Indebtedness

Description:

Establishes a 3-year statute of limitations for recovering indebtedness to the State through withholding of state salaries. Effective 7/1/2050. (SD2)