

S . B . NO . 2131

JAN 25 2010

A BILL FOR AN ACT

RELATING TO WORKERS' COMPENSATION LAW.

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

1 SECTION 1. The purpose of this bill is to provide public
2 unions and employers the same ability as private unions and
3 their signatory employers to collectively design and enter into
4 an alternative workers' compensation system. Hawaii currently
5 allows private unions and their signatory employers to enter
6 into collectively bargained workers' compensation agreements.
7 To date, several private unions have successfully designed and
8 implemented these agreements. The Hawaii Carpenters Union, the
9 International Brotherhood of Electrical Workers, and Hawaii
10 Laborers and Operators, as well as others, have established
11 alternative workers' compensations systems to facilitate
12 treatment and resolve disputes outside of the normal workers'
13 compensation system run by the department.

14 Allowing public unions and public employers the ability to
15 bargain with one another to design and implement a separate,
16 stand-alone bargained agreement between labor and management
17 solely covering workers' compensation will allow public unions
18 and management to create a system that meets their specific

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1 needs.

2 SECTION 2. Section 386-3.5, Hawaii Revised Statutes, is
3 amended to read as follows:

4 "[+]§386-3.5[+] Negotiation for benefit coverage. (a)

5 Notwithstanding any provision of law to the contrary, any
6 employer may determine the benefits and coverage of a policy
7 required under this chapter through collective bargaining with
8 an appropriate bargaining unit; provided that the bargained
9 agreement shall be reviewed by the director to ensure that the
10 agreement does not provide benefits and coverage less than those
11 provided in this chapter. The director shall approve the
12 agreement within ninety days after submittal upon a finding that
13 the agreement provides the benefits and coverage required.

14 ~~[This section shall not apply to collective bargaining contracts~~
15 ~~negotiated pursuant to chapter 89.] The agreement for benefit~~
16 ~~coverage shall not be subject to arbitration.~~ The director may
17 adopt rules pursuant to chapter 91 to implement this section.

18 (b) This section shall apply only to collective bargaining
19 agreements negotiated subsequent to June 29, 1995."

20 SECTION 3. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.

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1 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:

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BY REQUEST

Report Title:

Workers' Compensation; Agreements

Description:

Provides public unions and employers the same ability as private unions and their signatory employers to collectively design and enter into an alternative workers' compensation system.

JUSTIFICATION SHEET

DEPARTMENT: Labor and Industrial Relations

TITLE: A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION LAW.

PURPOSE: To provide public unions and employers the same ability as private unions and their signatory employers to collectively design and enter into an alternative workers' compensation system.

MEANS: Amend section 386-3.5, Hawaii Revised Statutes (HRS).

JUSTIFICATION: Currently, private unions and their signatory employers are allowed to enter into collectively bargained agreements to determine the benefits and coverage for workers' compensation. These bargained agreements shall be reviewed and approved by the director to ensure that the agreement does not provide benefits and coverage less than those provided in the workers' compensation statute, chapter 386, HRS. Public employees, such as State and county employees, covered by collective bargaining pursuant to chapter 89, HRS, are excluded from this section.

This bill will allow public unions and employers the same ability as private unions and their signatory employers to collectively design and enter into an alternative workers' compensation system, potentially reducing workers' compensation costs for public employers and public unions.

Impact on the public: None.

Impact on the department and other agencies: Departments and agencies that are public employers could see savings on workers' compensation costs.

GENERAL FUNDS: None.

OTHER FUNDS: None.

OTHER AFFECTED
AGENCIES: None.

EFFECTIVE DATE: Effective upon approval.