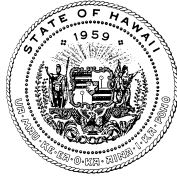


**TESTIMONY**

**HB2257 HD2**



**STATE OF HAWAII  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

830 PUNCHBOWL STREET, ROOM 321  
HONOLULU, HAWAII 96813  
www.hawaii.gov/labor  
Phone: (808) 586-8842 / Fax: (808) 586-9099  
Email: dlir.director@hawaii.gov

March 10, 2010

To: The Honorable Dwight Y. Takamine, Chair  
and Members of the Senate Committee on Labor

Date: Thursday, March 11, 2010

Time: 3:10 p.m.

Place: Conference Room 224, State Capitol

From: **Darwin L.D. Ching, Director**  
**Department of Labor and Industrial Relations**

**H.B. 2257 H.D. 2 - Relating to Unemployment Insurance Benefits**

**I. DLIR'S OPPOSITION TO H.B. 2257, H.D. 2**

**The Department opposes this measure** to automatically allow benefits to an individual who, while on partial claim status, accepts a job with another employer and is subsequently separated for potentially disqualifying reasons. The disqualification provisions must be equally applicable to all unemployed individuals claiming benefits under Chapter 383, HRS. The fact that an individual is still attached to a regular employer is irrelevant if such individual is considered unemployed under the law. According to section 383-1, HRS, an individual shall be deemed "unemployed" in any week during which the individual performs no services and no wages are payable, or in any week of less than full-time work if the wages payable are less than the individual's weekly benefit amount.

Since UI benefits are intended as temporary financial support while the jobless seek suitable re-employment, claimants often find part-time or full-time work and stop filing for UI compensation. All claimants who are receiving UI benefits have met the legal requirements to collect such payments and assume the same risks in accepting new jobs that may affect their entitlement to UI. Consequently, the same potential disqualifications are applicable to partially or totally unemployed individuals.

Employers also subject their operations to risk when hiring a new worker should he/she quit for non-compelling reasons or have willfully acted against the employer's interests. Businesses have reasonable expectations of any employees' work performance and workers are compensated to accomplish their assignments accordingly. It is of little consequence to the employer that the newly hired worker is on partial claim status or not because business operations are harmed in any situation of quit without good cause or misconduct connected with work. As employers contribute 100% to the UI trust fund to pay benefits, additional UI payouts resulting from this measure would eventually increase their UI contributions.

## **II. OVERVIEW OF PROPOSED LEGISLATION**

H.B. 2257 H.D. 1 proposes to allow benefits to an individual that is attached to a regular employer even if that individual voluntarily or involuntarily separates from part-time employment, with or without good cause.

## **III. CURRENT LAW**

Currently, sections 383-30(1) and 383-30(2), Hawaii Revised Statutes (HRS), which disqualifies individuals who quit a job without good cause or is discharged for misconduct, are applicable to all individuals receiving unemployment benefits regardless of whether that individual is on a partial, part-total or total claim status.

The fundamental purpose of the Unemployment Insurance (UI) program is to pay benefits to individuals who are unemployed through no fault of their own. Accordingly, any job separation that affects the payment of UI compensation is properly adjudicated to determine whether benefits will be allowed or denied. Where the voluntary quit is for good cause or the discharge is for no misconduct connected with work, UI benefits are allowed. Conversely, benefits are denied if the termination is without good cause or for misconduct.



**HAWAII GOVERNMENT EMPLOYEES ASSOCIATION**  
AFSCME Local 152, AFL-CIO

**RANDY PERREIRA**  
*Executive Director*  
Tel: 808.543.0011  
Fax: 808.528.0922

**NORA A. NOMURA**  
*Deputy Executive Director*  
Tel: 808.543.0003  
Fax: 808.528.0922

**DEREK M. MIZUNO**  
*Deputy Executive Director*  
Tel: 808.543.0055  
Fax: 808.523.6879

The Twenty-Fifth Legislature, State of Hawaii  
Hawaii State Senate  
Committee on Labor

Testimony by  
Hawaii Government Employees Association  
March 11, 2010

**H.B. 2257, H.D. 2 - RELATING  
TO UNEMPLOYMENT  
INSURANCE BENEFITS**

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports H.B. 2257, H.D. 2, which authorizes an individual that is attached to a regular employer who is not offering work to still receive unemployment insurance benefits even if that individual voluntarily or involuntarily separates from part-time employment.

The measure fairly seeks to preserve unemployment insurance benefits for individuals still attached to their regular employer who is not offering work, under very specific and reasonable circumstances.

Thank you for the opportunity to testify in support of H.B. 2257, H.D.2.

Respectfully submitted,

**Nora A. Nomura**  
**Deputy Executive Director**



March 11, 2010

Senator Dwight Takamine, Chair  
Committee on Labor  
State Capitol, Room 224  
Honolulu, HI 96813

RE: HB2257, HD2 "Relating to Unemployment Insurance Benefits"

Dear Chair Takamine and Members of the Committee on Labor:

I am Karen Nakamura, Chief Executive Officer of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

**BIA-Hawaii opposes HB2257, HD2, "Relating to Unemployment Insurance Benefits"**

BIA-Hawaii opposes this bill that would automatically allow benefits to an individual who, while on partial claim status, accepts a job with another employer and is subsequently separated for potentially disqualifying reasons. We are particularly opposed to language that indicates that benefits will be paid regardless of whether the employee was separated for good cause or not. This does not appear to be fair to an employer and doesn't allow any challenge to the payment of unemployment benefits.

We believe that the existing policies enforced by the Department of Labor and Industrial Relations are fair and should be maintained. If this bill is passed and enacted, the result would be greater demand on the unemployment insurance fund for which we will be paying a substantial increase in the next two years.

Thank you for the opportunity to share our views with you.

*Karen I. Nakamura*

**STARWOOD**  
HOTELS & RESORTS WORLDWIDE, INC.

March 11, 2010

To: Honorable Dwight Y. Takamine  
Senate Committee on Labor

Fr: **Keith Vieira**  
**Senior Vice President of Operations,**  
**Starwood Hotels & Resorts, Hawaii & French Polynesia**

RE: **HB2257 HD2 – Relating to Unemployment Insurance Benefits - Oppose**  
LBR Committee – Conference Room 224, March 11, 2010, 3:10 PM

Aloha Chair Takamine, Vice Chair Taniguchi and Members of the Committee:

Thank you for the opportunity to share our views on HB2257 HD2, Relating to Unemployment Insurance Benefits, which would authorize an individual that is attached to a regular employer who is not offering work to still receive unemployment insurance benefits even if that individual voluntarily or involuntarily separates from part-time employment, with or without good cause.

We support the rights of workers and do our best to foster a nurturing environment for our staff. However, we have concerns that this bill may inadvertently set a bad precedent. If a worker is discharged for good reason, that individual should not be eligible for unemployment benefits, which is consistent with the current law. We should not set a bad precedent by overturning the current law.

We are also concerned that this bill would greatly impact to the unemployment fund, which the state and employers are in the process of replenishing to reestablish its solvency. Early this month, the legislature sent HB2169, to allow a phased in increase for unemployment taxes over the next two years, to the Governor for approval. This bill would jeopardize efforts to reestablish the fund's solvency.

Finally, HB2257 HD2 would also cause an adverse affect by creating a disincentive for employers NOT to hire new employees. This bill would achieve the opposite effect of what the state is trying to do – stimulate the creation of jobs.

For these reasons, we respectfully request that you do not pass this bill.

