

**TESTIMONY**

**HB2257 HD2**

**LATE**

The Twenty-Fifth Legislature  
Regular Session of 2010

THE SENATE  
Committee on Labor  
Senator Dwight Y. Takamine, Chair  
Senator Brian T. Taniguchi, Vice Chair

State Capitol, Conference Room 224  
Thursday, March 11, 2010; 3:10 p.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 2257, HD2  
RELATING TO UNEMPLOYMENT INSURANCE BENEFITS**

The **ILWU Local 142 strongly supports H.B. 2257, HD2**, 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, with or without good cause.

H.B. 2257, HD2 seeks to amend the statute related to unemployment insurance to prohibit disqualification of a partial claimant due to separation from a secondary job. This prohibition will only apply to claimants for partial unemployment benefits who are attached to a regular employer, exempt from job search and registration for work requirements, and available for work offered by the regular employer.

Claimants who are attached to a regular employer include those who have reduced work hours and those who are not offered work due to a short-term layoff, resulting, for example, from the renovation of the regular employer's property. In both cases, the workers continue to be considered employees of the regular employer and may be receiving benefits such as medical coverage. Similarly, in both cases, unemployment benefits allow the workers to be available to the regular employer once work opportunity picks up or the renovation is completed and business resumes. Thus, unemployment benefits provide the regular employer with assurance that the workers will be available when needed, thus minimizing the need for potentially costly training and other adjustment.

We believe this amendment of the law is fair. The ILWU urges passage of H.B. 2257, HD2. Thank you for the opportunity to testify on this matter.

**Testimony to the Senate Committee on Labor**  
**Thursday, March 11, 2010; 3:10 p.m.**  
**Conference Room 224**

**RE: HOUSE BILL NO. 2257 HD2 RELATING TO EMPLOYMENT PRACTICES**

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

My name is Jim Tollefson and I am the President and CEO of The Chamber of Commerce of Hawaii ("The Chamber"). I am here to state The Chamber's concerns and provide comments on House Bill No. 2257 HD2, relating to Employment Practices.

The Chamber is the largest business organization in Hawaii, representing more than 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of its members, which employ more than 200,000 individuals, to improve the state's economic climate and to foster positive action on issues of common concern.

The Chamber understands the intent of this bill. It does appear questionable that a claimant can remain unemployed, not look for work and still remain eligible for benefits, while someone who actually finds a part-time job and is fired for good cause for the job or quits without good cause would be denied unemployment benefits that was connected to the full-time employer.

One could argue that it is a disincentive for employees to find part-time work and be productive members of the community if such legislation is not passed.

On the other hand, the measure could result in a disincentive for employees to be productive and effective at the part-time job knowing they will be entitled to the partial unemployment benefits. Without the measure, it gives them an incentive to be a good employee at the part-time job.

Furthermore, from the employer's perspective, anytime an employer's unemployment insurance is charged, it would increase its experience rating and ultimately increase the unemployment insurance tax. Therefore, if an employee voluntarily or involuntarily separates from the part-time employment, but still attached to the regular employer, the part-time employer should not be charged for unemployment insurance benefits for partial unemployment.

Thank you for the opportunity to testify.