

The Twenty-Fifth Legislature
Regular Session of 2010

LATE

HOUSE OF REPRESENTATIVES
Committee on Labor and Public Employment
Rep. Karl Rhoads, Chair
Rep. Kyle T. Yamashita, Vice Chair

State Capitol, Conference Room 309
Friday, January 29, 2010; 9:30 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 2258
RELATING TO FAMILY LEAVE INSURANCE**

The ILWU Local 142 would like to share its concerns regarding H.B. 2258, which creates a family leave insurance fund to be administered by DLIR under the workers' compensation statute and amends the definition of injuries covered under the workers' compensation statute to include family leave.

The ILWU supports the intent of H.B. 2258 to create a financing mechanism to provide for paid family leave. While state and federal laws provide for family leave, many workers are unable to take advantage of the benefits because of the financial hardship to take leave without pay. Paid family leave would allow more workers to exercise the option to take care of a newborn or an elderly parent that current unpaid leave limits.

However, establishing a fund under the workers' compensation statute would appear to confuse two distinct programs. Workers' compensation law is intended to provide medical and indemnity benefits to all workers who are injured on the job. Family leave law is intended to provide for unpaid leave to care for the birth or adoption of a child or the care of seriously ill family members--and only to workers of companies with 100 or more employees. Placing a family leave fund under the workers' compensation statute will likely muddy the waters.

Furthermore, the Director of Finance will be the custodian of the fund with disbursements paid by the Director of Finance upon request of the Director of Labor and Industrial Relations. It is unclear if the contributions into the fund will be via payroll tax, then transmitted to Finance and administered by DLIR which will request disbursements upon application by eligible employees. A complicated system.

Finally, we are especially concerned about how monies would be paid into the fund. We are aware that California and New Jersey have laws similar to what is being proposed in H.B. 2258. In those states, contributions into the fund are, we believe, made entirely by the employee. Under H.B. 2258, contributions will be made by both the employer and the employee up to \$2,000 per year. We believe both employers and employees will balk at this additional tax, especially if it is uncertain if the fund will have sufficient monies to provide benefits to all who qualify.

H.B. 982 was passed in the 2009 legislative session, then vetoed by the Governor, with the veto overridden in special session. This law provides for a data collection system with \$10,000 in funding from the Disability Benefits Special Fund. The system would collect data online on family leave usage for purposes of establishing the need and appropriate design of a future paid family leave policy and program. We believe this law should be implemented before any consideration of a paid family leave mechanism is adopted.

Thank you for considering our comments on H.B. 2258. We applaud the intent but believe this vehicle may be premature.