
A BILL FOR AN ACT

RELATING TO WAGES.

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

1 SECTION 1. Section 388-1, Hawaii Revised Statutes, is
2 amended by amending the definition of "wages" to read as
3 follows:

4 "Wages" means compensation for labor or services rendered
5 by an employee, whether the amount is determined on a time,
6 task, piece, commission, or other basis of calculation. It
7 shall include the:

8 (1) Vacation or personal time off pay earned in accordance
9 with the terms of any written agreement between an
10 employer and employee or under a written policy of the
11 employer; provided that, if the agreement or policy is
12 not in writing, then in accordance with the practice
13 of the employer as substantiated by corroborating
14 evidence;

15 (2) The reasonable cost, as determined by the director
16 under chapter 387, to the employer of furnishing an
17 employee with board, lodging, or other facilities if
18 such board, lodging, or other facilities are



1 customarily furnished by the employer to the
 2 employer's employees but shall not include tips or
 3 gratuities of any kind[-]; provided that for the
 4 purposes of section 388-6, "wages" shall include tips
 5 or gratuities of any kind."

6 SECTION 2. Section 388-2, Hawaii Revised Statutes, is
 7 amended by amending subsection (b) to read as follows:

8 "(b) The earned wages of all employees shall be due and
 9 payable within seven days after the end of each pay period[-];
 10 provided that vacation or personal time off pay earned may be
 11 accrued and need not be paid within each pay period in which the
 12 vacation or personal time off is earned."

13 SECTION 3. Section 388-3, Hawaii Revised Statutes, is
 14 amended to read as follows:

15 "**§388-3 Employees who are separated from the payroll**
 16 **before paydays.** (a) Whenever an employer discharges an
 17 employee either with or without cause, the employer shall pay
 18 the employee's wages in full at the time of discharge or if the
 19 discharge occurs at a time and under conditions which prevent an
 20 employer from making immediate payment, then not later than the
 21 working day following discharge[-]; provided that vacation and
 22 personal time off pay earned shall not be required to be paid:



1 (1) If a written agreement or policy exists between an
2 employer and employee that does not require payment
3 upon separation; or

4 (2) If the agreement or policy is not in writing, the
5 practice of the employer, that is substantiated by
6 corroborating evidence, does not require payment upon
7 separation.

8 (b) Whenever an employee quits or resigns, the employer
9 shall pay the employee's wages in full no later than the next
10 regular payday, as provided under section 388-2, either through
11 the regular pay channels or by mail if requested by the
12 employee, except that if the employee gives at least one pay
13 period's notice of intention to quit, the employer shall pay all
14 wages earned by the employee at the time of quitting[-];
15 provided that vacation and personal time off pay earned shall
16 not be required to be paid:

17 (1) If a written agreement or policy exists between an
18 employer and employee that does not require payment
19 upon separation; or

20 (2) If the agreement or policy is not in writing, the
21 practice of the employer, that is substantiated by



1 corroborating evidence, does not require payment upon
2 separation.

3 (c) When work of an employee is suspended as a result of a
4 labor dispute, or when an employee for any reason whatsoever is
5 temporarily laid off, the employer shall pay in full to the
6 employee not later than the next regular payday, as designated
7 under section 388-2, either through the regular pay channels or
8 by mail if requested by the employee, wages earned at the time
9 of suspension or layoff[-]; provided that vacation and personal
10 time off pay earned shall not be required to be paid:

11 (1) If a written agreement or policy exists between an
12 employer and employee that does not require payment
13 upon separation; or

14 (2) If the agreement or policy is not in writing, the
15 practice of the employer, that is substantiated by
16 corroborating evidence, does not require payment upon
17 separation."

18 SECTION 4. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 5. This Act shall take effect upon its approval.



Report Title:

Wages; Definition; Paid Time Off; Vacation

Description:

Clarifies the definition of "wages" in the Payment of Wages and Other Compensation Law, chapter 388, Hawaii Revised Statutes, to include any promised paid time off. Allows vacation and personal time off to be accrued. (HB2577 HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

