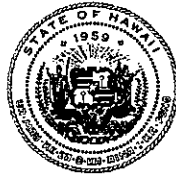

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, January 26, 2011 8:34 AM
To: HUS testimony
Cc: william.g.kunstman@hawaii.gov
Subject: Testimony for HB574 on 1/27/2011 9:00:00 AM
Attachments: HB574 HSH 20100125.doc

Testimony for HUS 1/27/2011 9:00:00 AM HB574

Conference room: 329
Testifier position: oppose
Testifier will be present: Yes
Submitted by: Dwight Takamine
Organization: DLIR
Address:
Phone:
E-mail: william.g.kunstman@hawaii.gov
Submitted on: 1/26/2011

Comments:



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

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January 25, 2011

To: The Honorable John M. Mizuno, Chair
and Members of the House Committee on Human Services

Date: Thursday, January 27, 2011
Time: 9:00 a.m.
Place: Conference Room 329, State Capitol

From: Dwight Takamine, Director
Department of Labor and Industrial Relations

Re: H.B. No. 574 Relating to Unemployment Insurance

I. OVERVIEW OF PROPOSED LEGISLATION

H.B. 574 proposes to amend section 383-7.6, Hawaii Revised Statutes (HRS), to provide unemployment insurance (UI) benefits to individuals who refuse to accept suitable work out of fear of domestic or sexual violence. This measure will allow good cause where there is a reasonable belief that the employment causes an unreasonable risk of violence to the individual, the individual's minor child or other individuals in the workplace.

II. CURRENT LAW

Currently, sections 383-7.6, 383-30(3), HRS, and Administrative Rule 12-5-55 provide good cause where there is a degree of risk involved to the individual's health, safety and morals and where domestic or sexual violence is relevant to job separations. This application of good cause also applies to the individual's immediate family including the spouse and parents of the individual.

III. HOUSE BILL

The Department follows guidelines already established for separation from employment in similar situations to determine eligibility for UI benefits under section 383-30(3), HRS. Existing adjudication practices consider domestic or sexual violence in determining

suitability of job offers or to establish good cause for refusing work.

However, the refusal of work raises a question as to the individual's availability for work because of the individual's domestic circumstances. Sections 303(a)(2) and 303(a)(5) of the Social Security Act (SSA) and sections 3304(a)(1) and 3304(a)(4) of the Federal Unemployment Tax Act (FUTA) require states to condition the payment of unemployment compensation upon a claimant being able to and available for work. To be eligible for unemployment compensation, an individual must be able and available to accept suitable work when offered.

A federal conformity issue may be raised if the able and available provisions in Hawaii law are inconsistent with the SSA and FUTA statutes. At jeopardy will be the loss of certification for \$14 million in administrative funding to operate the UI program in Hawaii. The shutdown of all local UI offices would preclude jobless workers from filing UI claims. In addition, employers will lose the FUTA tax credits and be liable for the full 6.2% FUTA tax.

Effectively, if the objective of this measure is to waive the UI eligibility requirements for individuals who are victims of domestic or sexual violence, the Department cannot fully support this measure in light of the serious consequences that may result.