

JAN 18 2013

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# A BILL FOR AN ACT

RELATING TO SALARY PERIODS.

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

1           SECTION 1. The legislature finds that, prior to the  
2 implementation of the payroll lag for public employees, Hawaii  
3 law did not allow any employer to delay payment of wages to an  
4 employee for more than seven days after the end of a pay  
5 period. The legislature believes that prompt payment of wages  
6 earned is a fair and sound fiscal policy and that, currently,  
7 there are no facts to justify a payroll lag for public employees  
8 whose base salaries often are already quite low. To require  
9 public employees to wait longer to receive the paychecks that  
10 they have already earned lowers the value of the wages that  
11 public employees receive. Excessive delays are unfair to public  
12 employees and constitute poor business and management practices.

13           The purpose of this Act is to ensure fair and timely  
14 payment of wages to public employees by repealing the State's  
15 authority to engage in unacceptable and abusive payroll delays.

16           SECTION 2. Section 78-13, Hawaii Revised Statutes, is  
17 amended by amending subsection (a) to read as follows:



1           "(a) Unless otherwise provided by law, all officers and  
2 employees shall be paid at least semimonthly except that  
3 substitute teachers, part-time hourly rated teachers of adult  
4 and evening classes, and other part-time, intermittent, or  
5 casual employees may be paid once a month [~~and that the~~  
6 ~~governor, upon reasonable notice and upon determination that the~~  
7 ~~payroll payment basis should be converted from predicted payroll~~  
8 ~~to after-the-fact payroll, may allow a one-time once a month~~  
9 ~~payroll payment to all public officers and employees to effect a~~  
10 ~~conversion to after-the-fact payroll as follows:~~

- 11           ~~(1) The implementation of the after-the-fact payroll will~~  
12           ~~commence with the June 30, 1998, pay day, which will~~  
13           ~~be delayed to July 1, 1998;~~
- 14           ~~(2) The July 15, 1998, pay day will be delayed to July 17,~~  
15           ~~1998;~~
- 16           ~~(3) The July 31, 1998, pay day will be delayed to August~~  
17           ~~3, 1998;~~
- 18           ~~(4) The August 14, 1998, pay day will be delayed to August~~  
19           ~~19, 1998;~~
- 20           ~~(5) The August 31, 1998, pay day will be delayed to~~  
21           ~~September 4, 1998;~~



1       ~~(6) The September 15, 1998, pay day will be delayed to~~  
2           ~~September 18, 1998; and~~

3       ~~(7) Thereafter, pay days will be on the fifth and the~~  
4           ~~twentieth of every month. If the fifth and the~~  
5           ~~twentieth fall on a state holiday, Saturday, or~~  
6           ~~Sunday, the pay day will be the immediately preceding~~  
7           ~~weekday.~~

8       ~~The implementation of the after the fact payroll shall not be~~  
9       ~~subject to negotiation under chapter 89.]. Payday shall be on~~  
10       ~~the first and fifteenth of each month. If the first or the~~  
11       ~~fifteenth day falls on a state holiday, Saturday, or Sunday, the~~  
12       ~~payday shall be the immediately preceding weekday. The~~  
13       ~~implementation of the predicted payroll shall not be subject to~~  
14       ~~negotiation under chapter 89."~~

15           SECTION 3. The governor and the comptroller, in  
16       implementing this Act, shall take any necessary steps to ensure  
17       that minimal disruptions occur in the payment of salary or wages  
18       to public employees.

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

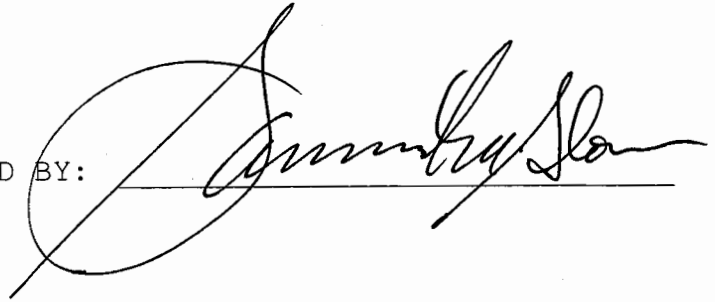
21           SECTION 5. This Act shall take effect upon its approval.

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S.B. NO. 272

INTRODUCED BY:

A handwritten signature in black ink, appearing to read "Jimmy Swan", is written over a horizontal line. The signature is cursive and stylized.



# S.B. NO. 272

**Report Title:**

Public Employees; Payroll Lag; Repeal.

**Description:**

Eliminates payroll lag for public employees; provides that paydays for public employees shall be on the first and fifteenth day of the month.

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

