



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

830 PUNCHBOWL STREET, ROOM 321  
HONOLULU, HAWAII 96813  
[www.hawaii.gov/labor](http://www.hawaii.gov/labor)  
Phone: (808) 586-8842 / Fax: (808) 586-9099  
Email: [dliir.director@hawaii.gov](mailto:dliir.director@hawaii.gov)

January 28, 2013

To: The Honorable Mark M. Nakashima, Chair, Mark J. Hashem, Vice Chair, and  
Members of the House Committee on Labor & Public Employment

Date: Tuesday, January 29, 2013  
Time: 9:00 a.m.  
Place: Conference Room 309, State Capitol

From: Dwight Y. Takamine, Director  
Department of Labor and Industrial Relations (DLIR)

**Re: H.B. No. 0059 Relating to Wages**

**I. OVERVIEW OF PROPOSED LEGISLATION**

H.B. No. 59 proposes to provide employees with wage and employer information at the time of hiring and annually as well as increases in penalties to employers who violate the law. H.B. No. 59 also requires more information on employees pay statements and in the record-keeping of employers.

The DLIR recognizes the importance of providing more substantial protection to employees in this State by requiring employers to provide employees with specific wage information on pay statements and maintain accurate records of compensation. However, the DLIR prefers the scope and language in the Administration's bill (HB0917).

**II. CURRENT LAW**

The Wage and Hour Law requires the employer to provide basic pay information on an individual's pay statement. The penalty provisions are set amounts.

**III. COMMENTS ON THE HOUSE BILL**

The DLIR concurs with the intent of this measure to increase the information that is required to be provided on pay statements of employees, which would give greater clarity and transparency to the employee on what he or she is being paid, at what rates, and for how many hours. Similarly, employers would be required to maintain accurate records of the same information provided to the employee.

Furthermore, the provisions pertaining to record-keeping and pay statements would enhance the investigatory and enforcement capabilities of the Wage Standards Division, which would enable the department to be more efficient and effective in assisting members of the public in the recovery of unpaid wages.

The bill as currently written would impose record keeping requirements on the employer and the DLIR that would increase costs and be problematic for implementation.

- The DLIR will be required to provide a template in two languages with payroll information which is to be given by the employer to the employee upon hire. The bill does not say how many non English language templates will have to be produced. The cost to the DLIR for translators and to develop and provide the template for all Hawaii employers is problematic with the budget restrictions currently imposed. The DLIR does not know how many templates will have to be made and in what languages.
- The same cost considerations must be considered in having to develop notices of violations which are to be posted in those businesses found in violation in addition to the cost of monitoring the postings.
- The DLIR is concerned it lacks the necessary funds and resources to implement this measure as drafted. Broadening the scope of the law, and requiring additional reporting requirements will further serve to increase an already over-burdened staff of six investigators statewide who are responsible for conducting almost 700 investigations and responding to more than 12,000 inquiries annually.

Twenty-Seventh Legislature  
Regular Session of 2013

HOUSE OF REPRESENTATIVES  
Committee on Labor & Public Employment  
Rep. Mark M. Nakashima, Chair  
Rep. Mark J. Hashem, Vice Chair  
State Capitol, Conference Room 309  
Tuesday, January 29, 2013; 9:00 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 59  
RELATING TO WAGES**

The ILWU Local 142 supports H.B. 59, which requires employers to provide employees with specific wage and employer information at the time of hiring and in employees' pay records, imposes penalties for non-compliance, and requires public notice of employer violations.

The ILWU concurs that all employees should be provided information about wages paid to them (including tips and meal and lodging allowances) and about the employer (including contact information). Over the past several years, many employers have adopted the practice of hiring professional employer organizations to take over human resource functions, thereby muddying the waters for employees over who their employer really is. This measure will provide clear information to the employee to ensure that the appropriate employer is addressed in the event of a dispute.

The penalties and notice requirements will help to ensure compliance by the employers and will help employees become aware of what is required by law. However, while we acknowledge that notices in all languages will be helpful, we also recognize that Hawaii is a multi-lingual state. Employers, especially small ones, may not be able to comply with the requirement for notices in all languages. A public information campaign (e.g., public service announcements on television and radio) may be more effective but will require funding.

Despite our concerns, the ILWU urges passage of H.B. 59. Thank you for considering our testimony.

**Testimony to the House Committee on Labor and Public Employment  
Tuesday, January 29, 2013 at 9:00 A.M.  
Conference Room 309, State Capitol**

**RE: HOUSE BILL 59 RELATING TO WAGES**

Chair Nakashima, Vice Chair Hashem, and Members of the Committee:

The Chamber of Commerce of Hawaii ("The Chamber") **opposes** HB 59 Relating to Wages.

The Chamber is the largest business organization in Hawaii, representing more than 1,100 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.

This bill provides for excessive monetary penalties that are up to \$20,000 and criminal penalties that make certain violations a class C felony. These revised penalties are excessive.

We also oppose the mandate to explain the wage computation. This mandate is unnecessary since the information given in each paycheck would already be very specific and detailed so employees should be able determine their wages from that information. Furthermore, this requirement places an additional administrative burden and cost on employers.

Lastly, the requirement of providing wage and other benefit information at the time of hiring and each subsequent February in the employee's designated primary language will be a hardship on many businesses and will add additional burden and cost.

Thank you for this opportunity to express our views.