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March 20, 2013

To: The Honorable David Y. Ige, Chair,
The Honorable Michelle N. Kidani, Vice Chair, and
Members of the Senate Committee on Ways and Means

Date: Wednesday, March 20, 2013
Time: 10:00 a.m.
Place: Conference Room 211, State Capitol

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

Re: H.B. No. 929 Relating to Employment and Training Assessment

I. OVERVIEW OF PROPOSED LEGISLATION

H.B. No. 929 proposes to amend section 383-129, Hawaii Revised Statutes, to clarify the exemption of the employment and training (E&T) assessment on contributory employers with the maximum rate.

The Department supports this measure but recommends that the effective date be changed to January 1, 2014.

II. CURRENT LAW

Section 383-129 currently exempts employers with a maximum rate of 5.4% from paying an E&T assessment. Since 1985, the maximum UI tax rate has been 5.4%.

III. COMMENTS ON THE HOUSE BILL

The maximum rate in contribution schedules C through H under section 383-68 were amended in 2012 by Act 263 to vary from 5.4% up to 6.6%.

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The Department respectfully requests that the language of this measure be amended with an effective date of January 1, 2014 to allow application of the E&T exemption for maximum rated employers from Schedule A through H.