



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

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March 27, 2013

To: The Honorable Sylvia Luke, Chair,
The Honorable Scott Y. Nishimoto, Vice Chair,
The Honorable Aaron Ling Johanson, Vice Chair, and
Members of the House Committee on Finance

Date: Wednesday, March 27, 2013
Time: 4:00 p.m.
Place: Conference Room 308, State Capitol

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

Re: S.B. No. 0332, S.D. 1, H.D. 1 Relating to Wages

I. OVERVIEW OF PROPOSED LEGISLATION

SB332 SD1HD1 proposes to provide employees with increased wage and employer information on employees pay statements and in the record keeping of employers.

The DLIR strongly supports this measure as the substance of this proposal is the same as the Administration's HB917, except for the effective date. If enacted, the measure will provide protection that is more substantial to employees in this State by requiring employers to provide employees with specific wage information on pay statements and to maintain accurate records of compensation.

II. CURRENT LAW

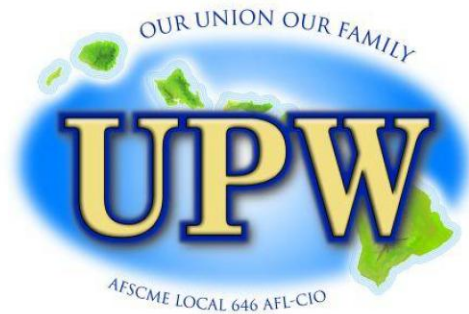
The Wage and Hour Law requires the employer to provide basic pay information on an individual's pay statement. The penalty provisions are set amounts.

III. COMMENTS ON THE SENATE BILL

The proposal would 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. This would also make it easier for the employee to budget his or her finances in this time of economic hardship when keeping track of each dollar earned is essential. Similarly, employers would be required to maintain accurate records of the same information provided to the employee.

Further, if passed, the proposal 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.

DLIR strongly recommends the effective date be January 1 to provide opportunity for employers and payroll services to make the necessary adjustments to their records for compliance.



THE HAWAII STATE HOUSE OF REPRESENTATIVES
The Twenty-Seventh Legislature
Regular Session of 2013

COMMITTEE ON FINANCE

The Honorable Rep. Sylvia Luke, Chair
The Honorable Rep. Scott Nishimoto, Vice Chair
The Honorable Rep. Aaron Ling Johanson, Vice Chair

DATE OF HEARING: Wednesday, March 27, 2013
TIME OF HEARING: 4 p.m.
PLACE OF HEARING: Conference Room 308

TESTIMONY ON SB332 SD1 HD1 RELATING TO WAGES

By DAYTON M. NAKANELUA,
State Director of the United Public Workers,
AFSCME Local 646, AFL-CIO ("UPW")

My name is Dayton M. Nakanelua and I am the State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO (UPW). The UPW is the exclusive representative for approximately 14,000 public employees, which include blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents about 1,500 members of the private sector.

The UPW supports SB332 SD1 HD1, which requires employers to provide employees with specific wage and employer information in employees' pay records and requires employers to maintain accurate and timely wage recordkeeping.

This bill will support an employee-employer relationship founded on a mutual understanding of specific kinds of wage-related information. Records of such information will also assist DLIR's Wage Standards Division, should their involvement become necessary.

For the reasons stated above, we ask that the Committee pass this measure.

Thank you for the opportunity to testify.