



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

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February 1, 2013

To: The Honorable Clayton Hee, Chair, Maile S.L. Shimabukuro, Vice Chair
and Members of the Senate Committee on Judiciary and Labor

Date: Friday, February 1, 2013
Time: 10:30 a.m.
Place: Conference Room 016, State Capitol

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

Re: S.B. No. 0332 Relating to Wages

I. OVERVIEW OF PROPOSED LEGISLATION

S.B. No. 0332 proposes to provide employees with wage and employer information at the time of hiring and annually as well as increases penalties to employers who violate the law. S.B. No. 332 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 (SB1148).

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 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 resources 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 five investigators statewide who are responsible for conducting more than 700 investigations and responding to more than 22,000 inquiries annually.

Twenty-Seventh Legislature
Regular Session of 2013

THE SENATE
Committee on Judiciary and Labor
Senator Clayton Hee, Chair
Senator Maile S.L. Shimabukuro, Vice Chair
State Capitol, Conference Room 016
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**STATEMENT OF THE ILWU LOCAL 142 ON S.B. 332
RELATING TO WAGES**

The ILWU Local 142 supports S.B. 332, 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 S.B. 332. Thank you for considering our testimony.