

JAN 22 2016

A BILL FOR AN ACT

RELATING TO SICK LEAVE.

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

1 SECTION 1. Chapter 388, Hawaii Revised Statutes, is
2 amended by adding a new part to be appropriately designated and
3 to read as follows:

4 "PART . SICK LEAVE

5 §388-A Establishment of a sick leave payroll tax. (a)

6 There shall be a tax imposed upon the salary of each employee of
7 an employer who employed at least ten employees in the previous
8 year.

9 (b) From fiscal year 2016-2017 to fiscal year 2021-2022,
10 the tax shall be assessed against each employee as follows:

11 (1) 0.025 per cent of the salary of each employee who
12 earned more than \$50,000 but less than \$100,000 during
13 the year; and

14 (2) 0.05 per cent of the salary of each employee who
15 earned \$100,000 or more during the year.

16 (c) From fiscal year 2022-2023 and thereafter, the taxes
17 shall be set by the payroll board.



1 (d) The assessment shall be collected each payroll period
2 by the employer and remitted on behalf of the employer's
3 employees to the department for deposit into the payroll trust
4 fund on a monthly basis.

5 §388-B Establishment of payroll trust fund. (a) There is
6 established in the treasury of the State, separate from all
7 public moneys or funds of the State, a payroll trust fund, which
8 shall be administered by the payroll board for the purposes of
9 this part. All assessments pursuant to this part shall be paid
10 into the fund and all benefits payable under this part shall be
11 paid from the fund. The fund shall consist of:

- 12 (1) All assessments collected pursuant to this part,
13 together with any interest thereon;
- 14 (2) All fines and penalties for the fund pursuant to this
15 part;
- 16 (3) All moneys collected by way of subrogation;
- 17 (4) Interest earned on any moneys in the fund;
- 18 (5) Any property or securities acquired through the use of
19 moneys belonging to the fund;
- 20 (6) All earnings of such property and securities;



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1 (7) All earnings from investments of moneys in the fund;
2 and

3 (8) All other moneys received for the fund from any
4 source.

5 (b) Beginning with fiscal year 2017-2018, the board shall
6 use the moneys in the payroll fund to provide sick leave
7 benefits of up to five days per calendar year to employees of
8 employers described under section 388-A(a).

9 **§388-B Payroll board.** (a) The payroll board is
10 established under the department of labor and industrial
11 relations for administrative purposes.

12 (b) The payroll board shall consist of nine members
13 appointed by the governor in accordance with section 26-34 and
14 the following requirements:

15 (1) Two members shall represent the public;

16 (2) Two members shall be appointed from a list of five
17 nominees submitted by the speaker of the house of
18 representatives;

19 (3) Two members shall appointed from a list of five
20 nominees submitted by the president of the senate; and



1 (4) Three members shall represent employees of employers
2 who have remitted assessments to the fund.

3 (c) Board members shall serve without compensation but
4 shall be reimbursed from the payroll fund for all necessary
5 expenses incurred in serving on the board.

6 **§388-C Investments.** The payroll board may invest moneys
7 from the payroll fund in the same investments that may be made
8 by the board of trustees of the employees' retirement system
9 under section 88-119.

10 **§388-D Notice of sick leave.** The employer shall notify
11 the payroll board of the dates that an employee is not at work
12 and is on sick leave."

13 SECTION 2. Section 392-28, Hawaii Revised Statutes, is
14 amended to read as follows:

15 **"§392-28 Duplication of benefits not permitted.** No
16 temporary disability benefits shall be payable for any period of
17 disability for which the employee is entitled to receive:

18 (1) Weekly benefits under the Employment Security Law or
19 similar laws of this State or of any other state or of
20 the United States, or under any temporary disability



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1 benefits law of any other state or of the United
2 States except as provided in section 392-66.

3 (2) Weekly disability insurance benefits under 42 United
4 States Code Annotated [†]section[†] 423.

5 (3) Weekly benefits for total disability under the
6 Workers' Compensation Law of this State or any other
7 state or of the United States, except benefits for
8 permanent partial or permanent total disability
9 previously incurred. If the claimant does not receive
10 benefits under such workers' compensation law and the
11 claimant's entitlement to such benefits is seriously
12 disputed, the employee, if otherwise eligible, shall
13 receive temporary disability benefits under this
14 chapter, but any insurer or employer or the trust fund
15 for disability benefits providing such benefits shall
16 be subrogated, as hereinafter provided, to the
17 employee's right to benefits under the workers'
18 compensation law for the period of disability for
19 which the employee received benefits under this
20 chapter to the extent of the benefits so received.



1 (4) Indemnity payments for wage loss under any applicable
2 employers' liability law of this State, or of any
3 other state or of the United States. If an employee
4 has received benefits under this chapter for a period
5 of disability for which the employee is entitled to
6 such indemnity payments, any insurer or employer or
7 the trust fund for disability benefits providing such
8 benefits shall be subrogated to the employee's right
9 to such indemnity payments in the amount of the
10 benefits paid under this chapter as hereinafter
11 provided.

12 (5) Benefits for sick leave under part of chapter 388."

13 SECTION 3. This Act does not affect rights and duties that
14 matured, penalties that were incurred, and proceedings that were
15 begun before its effective date.

16 SECTION 4. In codifying the new sections added by section
17 1 of this Act, the revisor of statutes shall substitute
18 appropriate section numbers for the letters used in designating
19 the new sections in this Act.

20 SECTION 5. New statutory material is underscored.



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1 SECTION 6. This Act shall take effect on July 1, 2016.

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INTRODUCED BY: ~~SEN. DAVID ALDRIDGE~~ SEN. DAVID ALDRIDGE

for
Michael



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Report Title:

Sick Leave; Payroll Assessment

Description:

Establishes a payroll assessment to fund sick leave in the private sector.

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