

STAND. COM. REP. NO. 722

Honolulu, Hawaii

MAR 06 2015

RE: S.B. No. 1122

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1122 entitled:

"A BILL FOR AN ACT RELATING TO WAGE AND HOUR LAW,"

begs leave to report as follows:

The purpose and intent of this measure is to increase the amount of guaranteed monthly compensation required to exempt an individual from minimum wage, overtime, and record keeping requirements under the Hawaii Wage and Hour Law.

Specifically, the measure repeals the \$2,000 threshold to be excluded from the application of the State's Wage and Hour Law and replaces the fixed monetary amount with a formula based on the monthly minimum of the amount of minimum wage multiplied by 276.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations and one individual. Your Committee received written comments in opposition to this measure from the Hawaii Food Industry Association and the Chamber of Commerce of Hawaii.


Your Committee finds that the Hawaii Wage and Hour Law protects existing minimum wage and maximum hour standards for the health and general well-being of workers. However, a worker is excluded from those wage and hour requirements if the worker is guaranteed a fixed amount of \$2,000 or more per month. Because of this exemption, employers may schedule individuals to work unlimited hours without being required to pay overtime compensation, as long as the individual is guaranteed a fixed



amount of \$2,000 or more per month. Your Committee further finds that the minimum wage will increase three times over the next three years. Your Committee believes that this measure will maintain a consistent wage proportion to the minimum wage increase because it uses a multiplier mechanism rather than a fixed amount to keep the minimum guaranteed compensation on par with increases in the minimum wage.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1122 and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

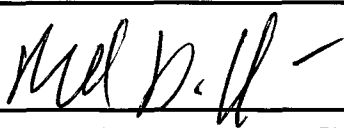


JILL N. TOKUDA, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB1122	JDL, WAM	2/27/15		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	✓			
KOUCHI, Ronald D. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
GALUTERIA, Brickwood	✓			
HARIMOTO, Breene	✓			
INOUYE, Lorraine R.	✓			
RIVIERE, Gil	✓			
RUDERMAN, Russell E.	✓			
SLOM, Sam			✓	
TOTAL	10	0	1	0
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes