



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

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March 21, 2016

To: The Honorable Gilbert S.C. Keith-Agaran, Chair,
The Honorable Maile S.L. Shimabukuro, Vice Chair, and
Members of the Senate Committee on Judiciary and Labor

The Honorable Rosalyn H. Baker, Chair,
The Honorable Michelle N. Kidani, Vice Chair, and
Members of the Senate Committee on Commerce, Consumer Protection,
and Health

Date: Tuesday, March 22, 2016

Time: 10:30 a.m.

Place: Conference Room 229, State Capitol

From: Linda Chu Takayama, Director
Department of Labor and Industrial Relations (DLIR)

Re: S.C.R. No. 86/S.R. 57 Requesting the Convening of a Paid Family Leave Task Force To Examine the Benefits and Costs of A Potential Paid Family Leave Program in Hawaii

I. OVERVIEW OF PROPOSED LEGISLATION

SCR86/SR57 proposes to convene a paid family leave task force (PFLTF) to determine how paid family leave might operate in Hawaii. The task includes various stakeholders including representatives from the Senate, House, DLIR, Executive Office on Aging, The Status of Women Commission, labor unions, care giving agencies and various size business representatives.

The PFLTF is requested to examine different programs that are extensions of temporary disability insurance (TDI) programs, and programs that are not extensions of TDI, look at costs associated with the programs, work with an economic analysis firm to develop an actuarial picture, and write a report twenty days before the 2017 legislative session that includes potential legislation to implement their findings. The task force ceases to exist at the end of 2017.

The Department supports the measure and offers comments, including requested amendments.

II. CURRENT LAW

Enacted in 1969, the Hawaii TDI law (chapter 392, Hawaii Revised Statutes (HRS)) requires employers to provide partial “wage replacement” insurance coverage to their eligible employees for non-work related injury or sickness, including pregnancy (see attachment for details).

This means that if an employee is unable to work because of an off-the-job injury or sickness and the employee meets the qualifying conditions of the law, the disabled employee will be paid disability or sick leave benefits to replace part of the wages lost.

An employer may adopt one or more of the following methods of providing TDI benefits:

- 1) By purchasing insurance, called an “insured” plan, from an authorized insurance carrier.
- 2) By adopting a “self-insured” plan, which must be approved by the department. As a self-insurer, the employer must show proof of financial solvency and ability to pay benefits.
- 3) By a collective bargaining agreement that contains sick leave benefits at least as favorable as required by the TDI Law.

The employer’s plan determines how much benefit the employee will receive each week, how long the employee will be paid and whether the employee has to serve a waiting period.

- If the employer has a statutory plan, i.e. a plan that provides benefits according to the minimum benefit standards as required by law, the employee is entitled to disability benefits, from the eighth day of disability for a maximum of 26 weeks, at 58% of the employee’s average weekly wages up to the maximum weekly benefit amount that is set annually (\$570, 2016).
- If the employer has a sick leave plan that differs from statutory benefits and has been approved by the department as an equivalent or better-than-statutory plan, the weekly benefit amount, duration of payments, and whether or not a waiting period is required will be determined by the plan.

The employer may pay for the entire cost of providing TDI coverage, or the employer may share the cost equally with the employees eligible for coverage. However, the employee’s contribution cannot exceed 0.5% of the employee’s weekly wages, nor the maximum weekly deduction (\$4.91, 2016).

Chapter 398, HRS, Hawaii Family Leave Law, provides four (4) weeks of unpaid protected leave to care for serious ill family member or a newborn or adopted child. Where employers offer sick leave, the law requires up to ten days of sick leave be allowed to be used for family leave, if above and beyond what is required under the TDI law.

The federal Family Medical Leave Act (FMLA) provides twelve (12) weeks of unpaid protected leave from the job.

III. COMMENTS ON THE SENATE CONCURRENT RESOLUTION

The department has testified for years about the complexity entailed in developing family and sick leave laws, and perhaps more important, the challenges to implementation DLIR welcomes this opportunity to participate in exploration of this important matter. DLIR recognizes that unpaid leave away from work jeopardizes the employee's ability to provide for their family. Paid sick leave also induces a healthier work environment by encouraging workers to stay home when they are sick. Workers who show up sick are likely to infect others and cause further productivity losses DLIR suggests the following amendments.

- 1) Expand the examination of paid family and medical leave programs beyond just state paid ones to include private sector programs.
- 2) An appropriation in the budget to include money for the economic analysis firm and consultants.
- 3) The inclusion of insurers on the task force, including at least one offering TDI coverage.



Chamber of Commerce HAWAII
The Voice of Business

**Testimony to the Senate Committee on Judiciary & Labor and Committee on
Commerce, Consumer Protection, & Health
Tuesday, March 22, 2016 at 10:30 A.M.
Conference Room 229, State Capitol**

RE: SENATE CONCURRENT RESOLUTION 86

Chairs Keith-Agaran and Baker, Vice Chairs Shimabukuro and Kidani, and Members of the Committees:

The Chamber of Commerce of Hawaii ("The Chamber") **supports the intent of SCR 86**, which requests the convening of a paid family leave task force to examine the benefits and costs of a potential paid family leave program in Hawaii.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

We appreciate the convening of a task force to better understand the efforts to set up this program and its effects on business and employees in the state. We ask that the Chamber be included as a member of the task force to provide input from a business organization perspective.

Thank you for the opportunity to provide testimony.



March 22, 2016

To: Senator Gilbert Keith-Agaran, Chair
Senator Maile Shimabukuro, Vice Chair and
Members of the Committee on Judiciary and Labor

To: Senator Rosalyn Baker, Chair
Senator Michelle Kidani, Vice Chair and
Members of the Committee on Commerce, Consumer Protection, and Health

From: Jeanne Y. Ohta, Co-Chair

RE: SCR 86/SR 57 Requesting the convening of a paid family leave taskforce
Hearing: Tuesday, March 22, 2016, 10:30 a.m., Room 229

POSITION: Strong Support

The Hawai'i State Democratic Women's Caucus writes in strong support SCR 86/SR 57 requesting the convening of a paid family leave taskforce to examine the benefits and costs of a potential paid family leave program in Hawaii.

The Hawai'i State Democratic Women's Caucus is a catalyst for progressive, social, economic, and political change through action on critical issues facing Hawaii's women and girls it is because of this mission that the Caucus supports the formation of a taskforce to study the potential of a paid family leave program.

Paid leave makes fiscal sense for small and large businesses because employers are not responsible to pay for the leave time. Paid leave is funded by employees.

We have an economy where many mothers are in the workforce. Nearly 66% of all children in the U.S. have two parents who work or are supported by a single parent. In addition to childcare, by 2020, about 40 percent of the workforce will be providing care for older parents.

It is alarming that nearly 25% of adults in the U.S. have lost or job or been threatened by job loss for leave due to illness and 11% of U.S. workers have access to paid family leave through their employers.

Women, as primary caregivers of infants, children and elderly parents, are affected disproportionately by the unavailability of paid family and medical leave. Women are the primary or co-breadwinners for almost two-thirds of families in the U.S., so women's income lost during maternity leave has significant economic impact on her entire family. Many grandmothers are also caring for grandchildren.

Women in Hawai'i can apply for TDI after giving birth, but it is time-limited. Fathers are not eligible to apply. In Hawai'i the majority of families are "working families" who cannot afford to take unpaid leave. Access to paid family leave alleviates economic instability for struggling families by ensuring job security.

We need legislation because in Hawai'i, only 88 businesses employ 100 or more employees within the state. Thus, only employees from these 88 business are eligible for 4 weeks unpaid leave guaranteed by state law.

We ask the committee to pass this measure and thank the committee for the opportunity to provide testimony.



o'ahu

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To: Honorable Gilbert Keith-Agaran, Chair
Honorable Maile Shimabukuro, Vice Chair
Senate Committee on Judiciary and Labor

Honorable Rosalyn Baker, Chair
Honorable Michelle Kidani, Vice Chair
Senate Committee on Commerce, Consumer Protection, and Health

From: Noriko Namiki, Chief Executive Officer
YWCA O'ahu

Re: Testimony of in support of SCR86 / SR57 – Requesting the Convening of a Paid Family Leave Task Force to Examine the Benefits and Costs of a Potential Paid Family Leave Program in Hawaii.
Tuesday, March 22, 2016, 10:30 a.m. - Hawaii State Capitol, Rm. 229

Good morning Chair Keith-Agaran, Chair Baker and members of the Committee on Judiciary and Labor and Committee on Commerce, Consumer Protection, and Health:

On behalf of YWCA O'ahu we thank you for the opportunity to share our testimony in **strong support of SCR86 and SR57**, which calls for a task force to examine the cost and benefits of a paid family leave program in Hawaii.

Paid family leave would guarantee Hawaii's families' the ability to provide care to their loved ones without fearing financial setbacks or potential job loss. It has also been identified as one of the major means to closing the gender wage gap, which is not set to close in Hawaii until 2059. Each year, Hawaii's women lose 1.4 billion dollars annually due to the wage gap. A lack of paid family leave ensures inequality for women, who still disproportionately serve as family caregivers while also serving as the sole or primary breadwinner in 2/3 of working families. We urge you to support this important first step in addressing the critical needs of Hawaii's women and families.

YWCA O'ahu is a non-partisan, non-profit organization that has served Hawaii for over 100 years. We are also the largest women's organization in Hawaii, serving over 2,000 members. YWCA O'ahu is guided by the core concepts of the YWCA's mission - to empower women and eliminate racism. We provide safe places for women and girls, build strong women leaders, and advocate for women's rights and civil rights in the State of Hawaii.

Thank you for your consideration and for the opportunity to provide testimony on this matter.

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: [REDACTED]
Subject: *Submitted testimony for SCR86 on Mar 22, 2016 10:30AM*
Date: Monday, March 21, 2016 4:09:46 PM

SCR86

Submitted on: 3/21/2016

Testimony for JDL/CPH on Mar 22, 2016 10:30AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Khara Jabola Carolus	Hawai'i Coalition for Immigrant Rights	Support	Yes

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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Subject: *Submitted testimony for SR57 on Mar 22, 2016 10:30AM*
Date: Saturday, March 19, 2016 12:05:21 PM

SR57

Submitted on: 3/19/2016

Testimony for JDL/CPH on Mar 22, 2016 10:30AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Laurie Field	Planned Parenthood Votes Northwest and Hawaii	Support	No

Comments:

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Subject: *Submitted testimony for SR57 on Mar 22, 2016 10:30AM*
Date: Friday, March 18, 2016 2:29:22 PM

SR57

Submitted on: 3/18/2016

Testimony for JDL/CPH on Mar 22, 2016 10:30AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Kalawai'a Goo	Individual	Support	No

Comments:

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Subject: *Submitted testimony for SR57 on Mar 22, 2016 10:30AM*
Date: Monday, March 21, 2016 11:35:37 AM

SR57

Submitted on: 3/21/2016

Testimony for JDL/CPH on Mar 22, 2016 10:30AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Kelsie Okamura	Individual	Support	No

Comments:

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Subject: *Submitted testimony for SCR86 on Mar 22, 2016 10:30AM*
Date: Friday, March 18, 2016 6:30:44 PM

SCR86

Submitted on: 3/18/2016

Testimony for JDL/CPH on Mar 22, 2016 10:30AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Troy Abraham	Individual	Support	No

Comments:

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