
A BILL FOR AN ACT

RELATING TO SALARY OVERPAYMENTS.

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

1 SECTION 1. The legislature finds that salary overpayments
2 have been an ongoing issue throughout many departments and
3 agencies of the State. From November 2016 to October 2017,
4 state departments and agencies in Hawaii overpaid salaries in an
5 amount exceeding \$415,000 each month. The highest amount of
6 overpayment occurred in November 2016, at \$622,266.14. Greater
7 accountability by state departments and agencies and increased
8 ability to correct overpaid salaries will reduce overpayment
9 waste.

10 The purpose of this Act is to:

11 (1) Require each department to deduct the department's
12 total salary and wage overpayment from the
13 department's budget request for the following fiscal
14 biennium; and

15 (2) Remove the two-year statute of limitations on the
16 determination and notice of salary or wage
17 overpayment.



1 SECTION 2. Chapter 37, Hawaii Revised Statutes, is amended
2 by adding a new section to be appropriately designated and to
3 read as follows:

4 "§37- Salary and wage overpayments deducted from budget
5 requests. Any department that has an outstanding wage or salary
6 overpayment balance at the end of a fiscal biennium shall deduct
7 the amount of the balance from the department's budget request
8 in the following biennium."

9 SECTION 3. Section 78-12, Hawaii Revised Statutes, is
10 amended by amending subsection (e) to read as follows:

11 "(e) If the indebtedness has occurred as a result of
12 salary or wage overpayment, the disbursing officer shall
13 determine the amount of indebtedness and notify the employee in
14 writing of the indebtedness [~~; provided that, to be an actionable~~
15 ~~cause of action, the determination and notice to the employee~~
16 ~~shall be made within two years from the date of the salary or~~
17 ~~wage overpayment, and not after]. If the employee contests the~~
18 ~~disbursing officer's determination of indebtedness, the employee~~
19 may request a hearing pursuant to chapter 91."



1 SECTION 4. This Act does not affect rights and duties that
2 matured, penalties that were incurred, and proceedings that were
3 begun before its effective date.

4 SECTION 5. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 6. This Act shall take effect on July 1, 2050.



Report Title:

Wage and Salary Overpayment; State Agencies and Departments;
Employees; Budget Requests

Description:

Requires each department to deduct the department's total salary and wage overpayment from the department's budget request for the following fiscal biennium. Removes the 2-year statute of limitations on determination and notice to an employee of salary and wage overpayment. (SB503 HD1)

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