

STAND. COM. REP. NO.

3253

Honolulu, Hawaii

FEB 28 2020

RE: S.B. No. 2769
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B.
No. 2769, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PAYMENTS OF SUPPORT,"

begs leave to report as follows:

The purpose and intent of this measure is to include tips or gratuities paid directly to an individual by a customer of the employer and reported or declared to the employer under the definition of income withheld by employers for payments of child or spousal support.

Your Committee did not receive any testimony on this measure.

Your Committee finds that cash wages paid directly by the employer and the amount of any tip credit claimed by the employer under federal or state law are earnings for the purposes of the wage garnishment law. However, tips received in excess of the tip credit amount are not considered earnings subject to withholding. This measure will include tips and gratuities in the definition of income withheld by employers for payments of child or spousal support. This will allow employers to garnish the appropriate child or spousal support payments to help alleviate the financial stress and worry that many families experience.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your



Committee is in accord with the intent and purpose of S.B.
No. 2769, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,

Karl Rhoads

KARL RHOADS, Chair



