



**STATE OF HAWAII**  
**DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**  
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July 2, 2020

To: The Honorable Karl Rhoads, Chair,  
The Honorable Jarrett Keohokalole, Vice Chair, and  
Members of the Senate Committee on Judiciary

The Honorable Donovan M. Dela Cruz, Chair,  
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair, and  
Members of the Senate Committee on Ways and Means

Date: Thursday, July 2, 2020  
Time: 9:46 a.m.  
Place: Auditorium, State Capitol

From: Anne Eustaquio, Deputy Director  
Department of Labor and Industrial Relations (DLIR)

**Re: H.B. No. 2350 H.D.2 S.D.1 RELATING TO THE DEPARTMENT  
OF LABOR AND INDUSTRIAL RELATIONS**

**I. OVERVIEW OF PROPOSED LEGISLATION**

This measure seeks to improve the effectiveness of monetary penalties and maintain their deterrent effect in Hawaii's labor laws by revising penalty amounts to account for inflation. Most of the revised amounts of the penalties were derived by using the Bureau of Labor Statistics (BLS) Consumer Price Index Inflation Calculator. Calculations were made by using the month and year of the enactment or amendment of a penalty provision and using the BLS calculator for the equivalent amount in May 2019.

The DLIR strongly supports this Administration measure.

**II. CURRENT LAW**

Section 371-9, HRS, provides for up to a \$250 fine for willful violations of undefined penalties in laws that the DLIR enforces.

Section 378-29.3 (Lie Detector Tests), HRS, provides for a \$100 to \$1,000 fine for intentional resistance, prevention, impediments, or interferences of DLIR investigations into discriminatory employment practices.

Section 378-65, HRS, provides for a \$500 to \$5,000 fine for each violation of the Whistleblowers' Protection Act.

Section 383-73, HRS, provides a ten per cent or \$10 fine for delinquent contributions the State's Unemployment Insurance Fund.

Section 385-11, HRS, provides for a \$20 to \$200 fine or imprisonment of thirty days or both for false statements or representations or failing to disclose a material fact to obtain or increase benefits and payments under the unemployment law.

Section 386-27, HRS, provides for up to a \$1,000 fine for health care providers that fail to comply with the requirements of providing appropriate care to injured workers.

Section 386-94, HRS, provides for a \$10,000 fine for attorneys, physicians, and other health care providers for receiving fees, other consideration, or gratuity on accounts of services provided without the approval of the DLIR Director or the Labor and Industrial Relations Appeals Board.

Section 386-97.5, HRS, provides for up to a \$250 fine for a violation of any provision or rule of the Workers' Compensation Law that does not have a specified penalty.

Section 386-98, HRS, provides for up to a \$10,000 fine for the commission of a fraudulent insurance act or a willful false statement or representation under the Workers' Compensation Law.

Section 387-7, HRS, provides for up to a \$500 fine for the willful hindrance or delay of the DLIR's enforcement of the Wage and Hour Law.

Section 387-12, HRS, provides for a \$50 to \$500 to any employer, employer's agent, employer's officer who pays or agrees to pay an employee less wages than the employee is entitled to.

Section 388-53, HRS, provides for a \$100 to \$1,000 fine for violations of the Payment of Wages and Other Compensation Law.

Section 392-68, HRS, provides for at least a \$10 fine to any employer or insurer that fails to pay contributions to the Trust Fund for Disability Benefits.

Section 392-69, HRS, provides for up to a \$10 fine to any employer that fails to file wage and employment information for an employee claiming temporary disability insurance benefits from the Trust Fund for Disability Benefits.

Section 392-92, HRS, provides for up to a \$250 fine for violations of the Temporary Disability Insurance Law.

Section 392-101, HRS, provides for a \$50 to \$500 fine for services charged or received by an attorney or agent of a party in a proceeding related to the Temporary Disability Insurance Law that is not approved by the DLIR or a referee.

### **III. COMMENTS ON THE HOUSE BILL**

The DLIR strongly supports the measure as it will improve DLIR's ability to promote compliance with labor laws by increasing monetary fines. The fines in this measure have not been raised either since the enactment of the statutes or recently, and have lost their deterrent effect. Therefore, adjusting the penalties will improve the department's ability to promote compliance with labor laws as well as its support for responsible employers that comply with the labor laws.