

STAND. COM. REP. NO.

235

Honolulu, Hawaii

FEB 06 , 2025

RE: H.B. No. 755
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Labor, to which was referred H.B. No. 755
entitled:

"A BILL FOR AN ACT RELATING TO PAID FAMILY LEAVE,"

begs leave to report as follows:

The purpose of this measure is to require the Department of
Labor and Industrial Relations:

- (1) By January 1, 2028, to establish a Family and Medical
Leave Insurance Program and begin collecting payroll
contributions; and
- (2) By January 1, 2029, to begin receiving claims and paying
benefits under the Program.

Your Committee received testimony in support of this measure
from the Office of Wellness and Resilience; Hawai'i State
Commission on the Status of Women; one member of the Hawai'i County
Council; two members of the Kaua'i County Council; ACLU of Hawai'i;
American Association of University Women of Hawaii; AARP Hawai'i;
Catholic Charities Hawai'i; Chamber of Sustainable Commerce;
Hawai'i Alliance for Progressive Action; Democratic Party of
Hawai'i Education Caucus; Early Childhood Action Strategy; Hawai'i
Appleseed; Hawai'i Family Caregiver Coalition; Hawai'i Children's

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Action Network Speaks!; Hawai'i Nurses' Association; Hawai'i State Coalition Against Domestic Violence; Hawai'i Workers Center; Hawaii Teamsters and Allied Workers Local 996; Healthy Eating Active Living Coalition; International Alliance of Theatrical Stage Employees Local 665; Kūpuna Caucus of the Democratic Party of Hawai'i; Imua Alliance; Leukemia and Lymphoma Society; Papa Ola Lōkahi; Pride at Work; Stonewall Caucus of the Democratic Party of Hawaii; and numerous individuals. Your Committee received testimony in opposition to this measure from the 604 Hospitality Group LLC; Grassroot Institute of Hawaii; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; United Public Workers, AFSCME Local 646, AFL-CIO; Hawaii Restaurant Association; Highway Inn; Kuleana Rum Works; Maui Chamber of Commerce; Retail Merchants of Hawaii; Society of Human Resource Management-Hawaii; and Tiki's Grill and Bar. Your Committee received comments on this measure from the Department of Human Resources Development; Department of Labor and Industrial Relations; Kapolei Chamber of Commerce; and one individual.

Your Committee finds that Hawaii's working families are not adequately supported during times of caregiving and illness. While the federal Family and Medical Leave Act allows twelve weeks of unpaid leave to employees who have worked at a business that employs fifty or more employees, the majority of Hawaii's workforce cannot afford to take unpaid leave to care for a new child or attend to the needs of a family member with a serious health condition. Your Committee believes this measure ensures that employees in Hawaii are provided family and medical leave insurance benefits when they need to provide care for their families.

Your Committee amended this measure by:

- (1) Removing the definition of "application year" and replacing the term with "benefit year";
- (2) Inserting a definition of "benefit year";
- (3) Replacing the term "application" with "claim", to eliminate ambiguity;
- (4) Adjusting the minimum earning requirement for a covered individual from \$400 to \$5,040, to reflect what the minimum wage will be in 2028;



- (5) Inserting a definition of "designated person" and including this term in the definition of "family member";
- (6) Including the spouse or domestic partner of a covered individual's sibling in the definition of "family member";
- (7) Inserting a definition of "wage";
- (8) Clarifying when family and medical leave insurance benefits must first be paid and how often;
- (9) Specifying a deadline to file a claim for family and medical leave insurance benefits;
- (10) Clarifying that family and medical leave insurance benefits will not be payable until the covered individual accrues at least eight hours of family and medical insurance benefits leave;
- (11) Removing language that would have limited the sequential use of accrued family and medical leave hours;
- (12) Adding language to clarify that this measure does not conflict with the Employee Retirement Income Security Act and the Prepaid Health Care Act;
- (13) Adding language to prevent simultaneous payments for vacation, sick, or other earned leave benefits and for family and medical leave insurance benefits when a covered individual uses accrued leave while receiving family and medical leave insurance benefits;
- (14) Clarifying that family and medical leave insurance benefits may be subject to federal income tax but are not subject to state income tax;
- (15) Authorizing the use of funds from the Family and Medical Leave Trust Fund to establish information technology and data systems for the Family and Medical Leave Program;



- (16) Repealing statutory language that prohibits an employee from using accrued sick leave for family leave purposes;
- (17) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (18) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Consumer Protection & Commerce, should it deliberate on this measure, to consider the establishment of 120 positions required for the Department of Labor and Industrial Relations to successfully administer this program, as requested by the Department of Labor and Industrial Relations in written testimony.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 755, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 755, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

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



JACKSON D. SAYAMA, Chair



