WILLIAM G. KUNSTMAN DEPUTY DIRECTOR



STATE OF HAWAI'I KA MOKU'ĀINA O HAWAI'I DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS KA 'OIHANA PONO LIMAHANA

March 12, 2025

To: The Honorable Henry J.C. Aquino, Chair,

The Honorable Chris Lee, Vice Chair, and

Members of the Senate Committee on Labor and Technology

Date: Wednesday, March 12, 2025

Time: 3:00 p.m.

Place: Conference Room 224, State Capitol

From: Jade T. Butay, Director

Department of Labor and Industrial Relations (DLIR)

Re: H.B. 477 HD1 RELATING TO HAWAII EMPLOYMENT SECURITY LAW

I. OVERVIEW OF PROPOSED LEGISLATION

The **DLIR strongly supports** this measure, which includes language to address a Hawaii Supreme Court ruling and makes amendments designed to facilitate the current UI modernization project. The DLIR <u>respectfully requests amendments</u> to further improve the measure.

This bill proposes to amend Chapter 383, Hawaii Revised Statutes (HRS) by:

- Removing the reference to the definition of "registered for work" in § 383-29,
- Clarifying the circumstances in which individuals were required to register for work.
- Allowing for electronic notifications for unemployment claim determinations, appeals, and hearing notices,
- Specifying that the electronic notification date is the equivalent of a mailing date,
- Removing the option that allows for joint experience rating,
- Permitting claimants to change their tax withholdings more than once; and
- Removing and updating various statutory provisions.

II. CURRENT LAW

§ 383-1 defines "registered for work" and "registration for work."

- § 383-12 specifies that an individual is required to post information that would be used for job matching on the Department's internet job matching system.
- § 383-29 specifies the circumstances in which individuals are required to register for work on the Department's internet job matching system.
- § 383-36, requires that unemployment insurance determinations and redeterminations be sent to parties by mail at their last known address.
- § 383-38 requires that appeals from unemployment insurance determinations or redeterminations be filed within ten days of after the mailing and provides for the option of electronic notification for unemployment insurance appeal documents only.
- § 383-66(a)(6) allows the Department to prescribe rules for the establishment, maintenance, and dissolution of joint accounts.
- § 383-163.6 permits an individual to change a previously elected withholding status once during their claim's benefit year.

III. COMMENTS ON THE HOUSE BILL

The Department strongly supports this measure and respectfully requests amendments as follows:

- The DLIR respectfully requests that the definition of "registered for work" or "registration for work" § 383-1 be amended as follows:
 - ""Registered for work" or "registration for work" means that an individual shall provide information to the department to facilitate work search efforts by the individual and increase job referrals by the employment office."
- The DLIR respectfully requests that the reference to "as defined in section 383-1" be restored on Pg. 1, lines 11 and 12.

The HD1 of this bill leaves intact the current definition of work registration in § 383-1. Therefore, striking the reference on Pg. 1, lines 11 and 12 would be incongruous if the intent is to provide clarity regarding the meaning of 'registered for work' or "registration for work."

These proposed amendments and overall bill lay the foundation for transitioning to a modernized unemployment insurance system while improving services for individuals. By streamlining the process for individuals to register for work, the measure addresses existing delays and denials caused by system navigation challenges. This enhanced process not only improves the current system but also facilitates auto-registration for work in the future modernized system.

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Furthermore, enabling the electronic delivery of unemployment insurance documents and appeal notifications ensures secure, faster, and more accessible communication for individuals and reduces dependency on traditional paper and mail processes. By specifying that the electronic notification date will be treated as equivalent to the mailing date, the measure also resolves complications stemming from a Hawaii Supreme Court ruling requiring certification of mailing dates for notices and decisions. This clarification strengthens the legal and operational framework necessary for a modernized system.

Additionally, this measure allows claimants to adjust their tax withholding multiple times, which enhances claimants' flexibility and responsiveness to changing financial circumstances and improves the user experience.

For the above reasons, the Department strongly supports this measure, which addresses modernizing and strengthening Hawaii's unemployment insurance system, improves efficiency, and promotes fairness for all stakeholders.



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Senator Henry Aquino, Chair Senate Committee on Labor and Technology 415 South Beretania Street, Rm 204 Honolulu, Hawaii 96813

Re: House Bill 477, HD1 (Relating to The Hawaii Employment Security Law)

Hearing Date: March 12, 2025

Time: 3:00 p.m.

Dear Senator Aguino and Committee Members:

Thank you for hearing this bill and for this opportunity to testify in **support** of House Bill 477, HD1.

The International Union of Painters and Allied trades, District Council 50, is an organization that consists of five (5) local unions: the Painters, Local 1971; the Glaziers Architectural and Glass Metal Workers, Local 1889; the Carpet Linoleum and Soft Tile, Local 1926; the Drywall, Tapers Finishers, Local 1944; and the Pearl Harbor Metal Trades Specialty Workers, Local 1941 – in all, approximately two thousand (2000) members statewide.

Section 1 of the bill could go a long way to help workers and their families maintain economic security during a labor dispute. Section 1 will help level the playing field between workers and employers, thereby encouraging fair negotiations between them when bargaining a new contract.

Thank you again for this opportunity to voice our **support** for this measure.

