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

February 26, 2025

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

Date: Wednesday, February 26, 2025
Time: 9:40 a.m.
Place: Conference Room 016, State Capitol

From: Jade T. Butay, Director
Department of Labor and Industrial Relations (DLIR)

Re: S.B. 1454 RELATING TO THE WAGE AND HOUR LAW

I. OVERVIEW OF PROPOSED LEGISLATION

The **DLIR strongly supports** this Governor's Package proposal. SB1454 proposes to amend the Wage and Hour Law, Chapter 387, Hawaii Revised Statutes (HRS), by adding provisions to authorize the DLIR to issue an Order of Wage Payment Violation (OWPV) to an employer found to be in violation of wage and hour provisions; amend the definition of "wage" to include compensation for labor or services rendered by an employee, whether the amount is determined on a time, task, piece, commission, or other basis of calculation; and collect and deposit penalties into the labor law enforcement special fund.

II. CURRENT LAW

There is no provision for an OWPV under Chapter 387, HRS.

§388-9.5 through §388-10 authorizes the DLIR to issue an OWPV and assess penalties against an employer found to be in violation of the Payment of Wages and Other Compensation Law, Chapter 388, HRS.

III. COMMENTS ON THE SENATE BILL

The DLIR strongly supports this measure to streamline and standardize enforcement mechanisms between Chapter 387, HRS, Wage and Hour Law (minimum wage, overtime), and Chapter 388, HRS, Payment of Wages and Other Compensation Law (unpaid wages).

OWPVs are currently issued under the Payment of Wages and Other Compensation Law, Chapter 388, HRS. However, when the DLIR's investigation reveals the unpaid wages includes minimum wage or overtime, the DLIR is precluded from issuing an OWPV as there is no provision for an OWPV under Chapter 387, HRS.

Accordingly, this bill amends Chapter 387, HRS, to add provisions for the issuance of an OWPV, including penalties, enforcement, and appeal procedures, when an employer is found to be in violation of wage and hour (minimum wage, overtime) provisions.