

ACT 168

A Bill for an Act Amending Appropriate Provisions of Chapter 93, Revised Laws of Hawaii 1955, as Amended, Relating to Contributions Required of Employers to be Paid Into the State Unemployment Compensation Fund.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Subsection (a) of section 93-60, Revised Laws of Hawaii 1955 shall not apply during the twelve-month period July 1, 1963 to June 30, 1964 and in lieu thereof the following provisions shall apply during the foregoing period:

“(a) Contributions with respect to wages for employment shall accrue and become payable by each employer subject to this chapter for the period July 1, 1963 to December 31, 1963 and for the period January 1, 1964 to June 30, 1964. Such contributions shall become due and be paid by each employer to the director for the fund in accordance with such regulations as the director may prescribe, and shall not be deducted, in whole or in part from the wages of individuals in such employer’s employ.”

SECTION 2. Subsection (a) of section 93-61, Revised Laws of Hawaii 1955, as amended, shall not apply during the twelve-month period July 1, 1963 to June 30, 1964 and in lieu thereof, the following provisions shall apply during the foregoing period:

“(a) Each employer shall pay contributions equal to 2.7 per cent of wages paid by him during the twelve-month period July 1, 1963 to June 30, 1964 with respect to employment, except as otherwise prescribed in this part.”

SECTION 3. Subsection (d) of section 93-62, Revised Laws of Hawaii 1955, shall not apply during the twelve-month period July 1, 1963 to June 30, 1964 and in lieu thereof the following provisions shall apply during the foregoing period:

“(d) ‘Contributions’ includes (1) the money payments required by this chapter to be made into the fund by any employing unit on account of having individuals in its employ, (2) ninety per cent of taxes which were paid on or before January 31, 1938 pursuant to Title IX of the Social Security Act with respect to employment in this State during the calendar year 1936; provided, that any such tax referred to in (2) above shall be included in the term ‘contributions,’ as applied to any employing unit, only if and after such employing unit furnishes to the director evidence, satisfactory to the director, of the amount of such tax and of the payment thereof by such employing unit, and in case such evidence has not been presented prior to the time of the determination by the director of the contribution rate of any employing unit for any period, such tax paid by such employing unit shall not be considered as part of the contributions of such employing unit for the purpose of the computation of its contribution rate for such period. ‘Contributions’ does not include penalties or interest for delinquency in payments.”

SECTION 4. Section 93-63, Revised Laws of Hawaii 1955, shall not apply during the twelve-month period July 1, 1963 to June 30, 1964

and in lieu thereof the following provisions shall apply during the foregoing period:

"Credits for contributions. The director shall maintain a separate account for each employer and shall credit his account with all contributions paid by him as of the date of payment. Nothing in this chapter shall be construed to grant any employer or individuals in his service prior claims or rights to the amounts paid by the employer into the fund."

SECTION 5. The first paragraph of section 93-65, Revised Laws of Hawaii 1955, as amended, and the subsections thereof designated (a), (b), and (c) shall not apply during the twelve-month period July 1, 1963 to June 30, 1964 and in lieu thereof the following provisions shall apply during the foregoing period:

"Contribution rates, how determined. The director shall for the six-month period July 1, 1963 to December 31, 1963 and for the six-month period January 1, 1964 to June 30, 1964 classify employers in accordance with their actual experience in the payment of contributions and with respect to benefits charged against their accounts with a view to fixing such contribution rates as will reflect such experience. He shall determine the contribution rate of each employer in accordance with the following requirements:

"(a) The standard rate of contributions payable by each employer shall be 2.7 per cent.

"(b) An employer's rate shall be 2.7 per cent unless and until his account has been chargeable with benefits throughout the thirty-six consecutive calendar-month period ending on December 31 of the preceding calendar year.

"(c) No employer's rate shall be reduced in any amount which is not allowable as an additional credit, against the tax levied by the federal unemployment tax act, pursuant to the provisions of section 3302 (b) of such Act, or pursuant to the provisions of any other federal statute, successor to section 3302 (b) which provides for the additional credit now provided for in section 3302 (b)."

SECTION 6. Section 93-66, Revised Laws of Hawaii 1955 shall not apply during the twelve-month period July 1, 1963 to June 30, 1964 and in lieu thereof the following provisions shall apply during the foregoing period:

"Relation of credits to charges. Variations from the standard rate of contributions shall be determined in accordance with the following requirements:

"For the period July 1, 1963 to December 31, 1963, if the total of an employer's contributions credited to his account as provided by section 93-63 for all periods prior to January 1, 1963, including those paid on or before January 31, 1963 with respect to wages paid by him prior to January 1, 1963, and also including any money payments in excess of the requirements of this chapter made voluntarily by him prior to April 30, 1963, exceeds the total benefits chargeable to his account for all periods prior to January 1, 1963, his contribution rate shall be as provided by section 7 of this Act.

"For the period January 1, 1964 to June 30, 1964 if the total of an employer's contributions credited to his account as provided by section

93-63 and this Act for all periods prior to January 1, 1964, including those paid on or before January 31, 1964 with respect to wages paid by him prior to January 1, 1964, and also including any money payments in excess of the requirements of this chapter made voluntarily by him prior to April 30, 1963, exceeds the total benefits chargeable to his account for all periods prior to January 1, 1964, his contribution rate shall be as provided by section 7 of this Act."

SECTION 7. Section 93-67, Revised Laws of Hawaii 1955 shall not apply during the twelve-month period July 1, 1963 to June 30, 1964 and in lieu thereof the following provisions shall apply during the foregoing period:

"**Rates based on experience.** Subject to the requirements of the applicable portions of sections 93-62 to 93-66, section 93-68, and this Act, an employer's rate for the six-month period July 1, 1963 to December 31, 1963 and for the six-month period January 1, 1964 to June 30, 1964 shall be:

"(a) 3.0 per cent if such excess is less than 5.5 per cent of his average annual payroll.

"(b) 2.8 per cent if such excess equals or exceeds 5.5 per cent but is less than 6.0 per cent of his average annual payroll.

"(c) 2.6 per cent if such excess equals or exceeds 6.0 per cent but is less than 6.5 per cent of his average annual payroll.

"(d) 2.4 per cent if such excess equals or exceeds 6.5 per cent but is less than 7.0 per cent of his average annual payroll.

"(e) 2.2 per cent if such excess equals or exceeds 7.0 per cent but is less than 7.5 per cent of his average annual payroll.

"(f) 2.0 per cent if such excess equals or exceeds 7.5 per cent but is less than 8.0 per cent of his average annual payroll.

"(g) 1.8 per cent if such excess equals or exceeds 8.0 per cent but is less than 8.5 per cent of his average annual payroll.

"(h) 1.6 per cent if such excess equals or exceeds 8.5 per cent but is less than 9.0 per cent of his average annual payroll.

"(i) 1.4 per cent if such excess equals or exceeds 9.0 per cent but is less than 9.5 per cent of his average annual payroll.

"(j) 1.2 per cent if such excess equals or exceeds 9.5 per cent but is less than 10.0 per cent of his average annual payroll.

"(k) 1.0 per cent if such excess equals or exceeds 10.0 per cent of his average annual payroll."

SECTION 8. This Act shall take effect on July 1, 1963 and shall expire on June 30, 1964.

(Approved June 3, 1963.) **H.B. 1258.**
