

**ACT 110**

**H.B. NO. 1500**

A Bill for an Act Relating to Employment Security.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 383-22, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) In the case of an individual whose benefit year begins prior to January 5, 1992, the individual’s weekly benefit amount shall be, except as otherwise provided in this section, an amount equal to one twenty-fifth of the individual’s total wages for insured work paid during the calendar quarter of the individual’s base period in which such total wages were highest. In the case of an individual whose

benefit year begins after January 4, 1992, the individual's weekly benefit amount shall be, except as otherwise provided in this section, an amount equal to one twenty-first of the individual's total wages for insured work paid during the calendar quarter of the individual's base period in which such total wages were highest. The weekly benefit amount, if not a multiple of \$1, shall be computed to the next higher multiple of \$1. If an individual's weekly benefit amount is less than \$5, it shall be \$5. The maximum weekly benefit amount shall be determined annually as follows: On or before November 30 of each year the total remuneration paid by employers, as reported on contribution reports submitted on or before such date, with respect to all employment during the four consecutive calendar quarters ending on June 30 of the year shall be divided by the average monthly number of individuals performing services in the employment during the same four calendar quarters as reported on the contribution reports. The amount thus obtained shall be divided by fifty-two and the average weekly wage (rounded to the nearest cent) thus determined. For benefit years beginning prior to January 1, 1992, two-thirds of the average weekly wage shall constitute the maximum weekly benefit amount and shall apply to all claims for benefits filed by an individual qualifying for payment at the maximum weekly benefit amount in the benefit year commencing on or after the first day of the calendar year immediately following the determination of the maximum weekly benefit amount. For benefit years beginning January 1, 1992, ~~[and thereafter,]~~ but prior to January 1, 2008, and beginning again on January 1, 2011, seventy per cent of the average weekly wage shall constitute the maximum weekly benefit amount and shall apply to all claims for benefits filed by an individual qualifying for payment at the maximum weekly benefit amount in the benefit year commencing on or after the first day of the calendar year immediately following the determination of the maximum weekly benefit amount. For benefit years beginning January 1, 2008, and ending December 31, 2010, seventy-five per cent of the average weekly wage shall constitute the maximum weekly benefit amount and shall apply to all claims for benefits filed by an individual qualifying for payment at the maximum weekly benefit amount in the benefit year commencing on or after the first day of the calendar year immediately following the determination of the maximum weekly benefit amount. The maximum weekly benefit amount, if not a multiple of \$1, shall be computed to the next higher multiple of \$1.

(Column A) High Quarter Wages	(Column B) Basic Weekly Benefit	(Column C) Minimum Qualifying Wages	(Column D) Maximum Total Benefits in Benefit Year
\$ 37.50– 125.00	\$ 5.00	\$ 150.00	\$ 130.00
125.01– 150.00	6.00	180.00	156.00
150.01– 175.00	7.00	210.00	182.00
175.01– 200.00	8.00	240.00	208.00
200.01– 225.00	9.00	270.00	234.00
225.01– 250.00	10.00	300.00	260.00
250.01– 275.00	11.00	330.00	286.00
275.01– 300.00	12.00	360.00	312.00
300.01– 325.00	13.00	390.00	338.00
325.01– 350.00	14.00	420.00	364.00
350.01– 375.00	15.00	450.00	390.00
375.01– 400.00	16.00	480.00	416.00
400.01– 425.00	17.00	510.00	442.00
425.01– 450.00	18.00	540.00	468.00
450.01– 475.00	19.00	570.00	494.00
475.01– 500.00	20.00	600.00	520.00

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(Column A) High Quarter Wages	(Column B) Basic Weekly Benefit	(Column C) Minimum Qualifying Wages	(Column D) Maximum Total Benefits in Benefit Year
500.01– 525.00	21.00	630.00	546.00
525.01– 550.00	22.00	660.00	572.00
550.01– 575.00	23.00	690.00	598.00
575.01– 600.00	24.00	720.00	624.00
600.01– 625.00	25.00	750.00	650.00
625.01– 650.00	26.00	780.00	676.00
650.01– 675.00	27.00	810.00	702.00
675.01– 700.00	28.00	840.00	728.00
700.01– 725.00	29.00	870.00	754.00
725.01– 750.00	30.00	900.00	780.00
750.01– 775.00	31.00	930.00	806.00
775.01– 800.00	32.00	960.00	832.00
800.01– 825.00	33.00	990.00	858.00
825.01– 850.00	34.00	1020.00	884.00
850.01– 875.00	35.00	1050.00	910.00
875.01– 900.00	36.00	1080.00	936.00
900.01– 925.00	37.00	1110.00	962.00
925.01– 950.00	38.00	1140.00	988.00
950.01– 975.00	39.00	1170.00	1014.00
975.01–1000.00	40.00	1200.00	1040.00
1000.01–1025.00	41.00	1230.00	1066.00
1025.01–1050.00	42.00	1260.00	1092.00
1050.01–1075.00	43.00	1290.00	1118.00
1075.01–1100.00	44.00	1320.00	1144.00
1100.01–1125.00	45.00	1350.00	1170.00
1125.01–1150.00	46.00	1380.00	1196.00
1150.01–1175.00	47.00	1410.00	1222.00
1175.01–1200.00	48.00	1440.00	1248.00
1200.01–1225.00	49.00	1470.00	1274.00
1225.01–1250.00	50.00	1500.00	1300.00
1250.01–1275.00	51.00	1530.00	1326.00
1275.01–1300.00	52.00	1560.00	1352.00
1300.01–1325.00	53.00	1590.00	1378.00
1325.01–1350.00	54.00	1620.00	1404.00
1350.01 and over	55.00	1650.00	1430.00''

SECTION 2. Section 383-23, Hawaii Revised Statutes, is amended to read as follows:

**“§383-23 Weekly benefit for unemployment.** For weeks beginning prior to January 5, 1992, each eligible individual who is unemployed, as defined in section 383-1, in any week shall be paid with respect to that week a benefit in an amount equal to the individual’s weekly benefit amount less that part of the wages (if any) payable to the individual with respect to that week which is in excess of \$2. Effective for weeks beginning January 5, 1992, and thereafter, each eligible individual who is unemployed, as defined in section 383-1, in any week shall be paid with respect to that week a benefit in an amount equal to the individual’s weekly benefit amount less that part of the wages (if any) payable to the individual with respect to that week which is in excess of \$50. Effective for weeks beginning January 1, 2008, and

thereafter, each eligible individual who is unemployed, as defined in section 383-1, in any week shall be paid with respect to that week a benefit in an amount equal to the individual's weekly benefit amount less that part of the wages, if any, payable to the individual with respect to that week which is in excess of \$150. The benefit, if not a multiple of \$1, shall be computed to the next higher multiple of \$1."

SECTION 3. Section 383-61,<sup>1</sup> Hawaii Revised Statutes, is amended to read as follows:

"(c) For the calendar year 1991 only, the term "wages" does not include remuneration in excess of \$7,000 paid with respect to employment to an individual by an employer. For calendar years 2008, 2009, and 2010 only, the term "wages" as used in this part does not include remuneration in excess of \$13,000 paid with respect to employment to an individual by an employer so long as the balance of the unemployment trust fund does not fall below the adequate reserve fund as specified by section 383-63."

SECTION 4. Section 383-63, Hawaii Revised Statutes, is amended by amending the definition of "adequate reserve fund" to read as follows:

"Adequate reserve fund" means an amount that is equal to the amount derived by multiplying the benefit cost rate that is the highest during the ten-year period ending on November 30 of each year by the total remuneration paid by all employers, with respect to all employment for which contributions are payable during the last four calendar quarters ending on June 30 of the same year, as reported on contribution reports filed on or before October 31 of the same year. "Remuneration", as used in this definition, means wages as defined in section 383-10. For the purpose of determining the highest benefit cost rate, the benefit cost rate for the first twelve-consecutive-calendar-month period beginning with the first day of the first month of the ten-year period and for each succeeding twelve-consecutive-calendar-month period beginning with the first day of each subsequent month shall be computed.

Effective for the calendar [year] years 1992 through 2007, and from calendar year 2011 and thereafter, "adequate reserve fund" means an amount that is equal to one and one-half times the amount derived by multiplying the benefit cost rate that is the highest during the ten-year period ending on November 30 of each year by the total remuneration paid by all employers, with respect to all employment for which contributions are payable during the last four calendar quarters ending on June 30 of the same year, as reported on contribution reports filed on or before October 31 of the same year. "Remuneration", as used in this definition, means wages as defined in section 383-10. For the purpose of determining the highest benefit cost rate, the benefit cost rate for the first twelve-consecutive-calendar-month period beginning with the first day of the first month of the ten-year period and for each succeeding twelve-consecutive-calendar-month period beginning with the first day of each subsequent month shall be computed."

SECTION 5. The department of labor and industrial relations shall submit a report to the legislature no later than twenty days prior to the convening of the regular session of 2011 detailing the effect of this Act on the unemployment compensation fund. The report shall include but not be limited to the:

- (1) Effects of the temporary increase in benefits under section 1 of this Act;
- (2) Lowering of the adequate reserve from eighteen months to twelve months under section 4 of this Act on the ability of the fund to recover without depletion of the reserves, in the event of a significant rise of the unemployment rate;

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- (3) Recommendations to the legislature as to whether or not to make section 1 and section 4 of this Act permanent;
- (4) Historical data and information on the unemployment compensation fund, including an economic analysis of the fund adequacy from 1970 to present; and
- (5) An evaluation of the economic trends from 1970 and its potential effects on the solvency and adequacy of the unemployment fund.

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect on January 1, 2008.

(Approved May 30, 2007.)

### **Note**

1. Only subsection (c) set out.