



GOV. MSG. NO. 868

EXECUTIVE CHAMBERS  
HONOLULU

LINDA LINGLE  
GOVERNOR

May 30, 2007

The Honorable Colleen Hanabusa, President  
and Members of the Senate  
Twenty-Fourth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

This is to inform you that on May 30, 2007, the following bill was signed into law:

HB1500 HD2 SD2

A BILL FOR AN ACT RELATING TO EMPLOYMENT  
SECURITY.  
(ACT 110)

Sincerely,



LINDA LINGLE

Approved by the Governor

on MAY 30 2007

HOUSE OF REPRESENTATIVES  
TWENTY-FOURTH LEGISLATURE, 2007  
STATE OF HAWAII

**ACT 110**  
**H.B. NO.** 1500  
H.D. 2  
S.D. 2

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# A BILL FOR AN ACT

RELATING TO EMPLOYMENT SECURITY.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

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

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

9 In the case of an individual whose benefit year begins after  
10 January 4, 1992, the individual's weekly benefit amount shall  
11 be, except as otherwise provided in this section, an amount  
12 equal to one twenty-first of the individual's total wages for  
13 insured work paid during the calendar quarter of the  
14 individual's base period in which such total wages were highest.

15 The weekly benefit amount, if not a multiple of \$1, shall be  
16 computed to the next higher multiple of \$1. If an individual's  
17 weekly benefit amount is less than \$5, it shall be \$5. The  
18 maximum weekly benefit amount shall be determined annually as



1 follows: On or before November 30 of each year the total  
2 remuneration paid by employers, as reported on contribution  
3 reports submitted on or before such date, with respect to all  
4 employment during the four consecutive calendar quarters ending  
5 on June 30 of the year shall be divided by the average monthly  
6 number of individuals performing services in the employment  
7 during the same four calendar quarters as reported on the  
8 contribution reports. The amount thus obtained shall be divided  
9 by fifty-two and the average weekly wage (rounded to the nearest  
10 cent) thus determined. For benefit years beginning prior to  
11 January 1, 1992, two-thirds of the average weekly wage shall  
12 constitute the maximum weekly benefit amount and shall apply to  
13 all claims for benefits filed by an individual qualifying for  
14 payment at the maximum weekly benefit amount in the benefit year  
15 commencing on or after the first day of the calendar year  
16 immediately following the determination of the maximum weekly  
17 benefit amount. For benefit years beginning January 1, 1992,  
18 ~~[and thereafter,]~~ but prior to January 1, 2008, and beginning  
19 again on January 1, 2011, seventy per cent of the average weekly  
20 wage shall constitute the maximum weekly benefit amount and  
21 shall apply to all claims for benefits filed by an individual  
22 qualifying for payment at the maximum weekly benefit amount in



1 the benefit year commencing on or after the first day of the  
 2 calendar year immediately following the determination of the  
 3 maximum weekly benefit amount. For benefit years beginning  
 4 January 1, 2008, and ending December 31, 2010, seventy-five per  
 5 cent of the average weekly wage shall constitute the maximum  
 6 weekly benefit amount and shall apply to all claims for benefits  
 7 filed by an individual qualifying for payment at the maximum  
 8 weekly benefit amount in the benefit year commencing on or after  
 9 the first day of the calendar year immediately following the  
 10 determination of the maximum weekly benefit amount. The maximum  
 11 weekly benefit amount, if not a multiple of \$1, shall be  
 12 computed to the next higher multiple of \$1.

	(Column A)	(Column B)	(Column C)	(Column D)
	High	Basic	Minimum	Maximum
	Quarter	Weekly	Qualifying	Total Benefits
	Wages	Benefit	Wages	in Benefit Year
17	\$ 37.50 - 125.00	\$ 5.00	\$ 150.00	\$ 130.00
18	125.01 - 150.00	6.00	180.00	156.00
19	150.01 - 175.00	7.00	210.00	182.00
20	175.01 - 200.00	8.00	240.00	208.00
21	200.01 - 225.00	9.00	270.00	234.00
22	225.01 - 250.00	10.00	300.00	260.00



1	250.01 - 275.00	11.00	330.00	286.00
2	275.01 - 300.00	12.00	360.00	312.00
3	300.01 - 325.00	13.00	390.00	338.00
4	325.01 - 350.00	14.00	420.00	364.00
5	350.01 - 375.00	15.00	450.00	390.00
6	375.01 - 400.00	16.00	480.00	416.00
7	400.01 - 425.00	17.00	510.00	442.00
8	425.01 - 450.00	18.00	540.00	468.00
9	450.01 - 475.00	19.00	570.00	494.00
10	475.01 - 500.00	20.00	600.00	520.00
11	500.01 - 525.00	21.00	630.00	546.00
12	525.01 - 550.00	22.00	660.00	572.00
13	550.01 - 575.00	23.00	690.00	598.00
14	575.01 - 600.00	24.00	720.00	624.00
15	600.01 - 625.00	25.00	750.00	650.00
16	625.01 - 650.00	26.00	780.00	676.00
17	650.01 - 675.00	27.00	810.00	702.00
18	675.01 - 700.00	28.00	840.00	728.00
19	700.01 - 725.00	29.00	870.00	754.00
20	725.01 - 750.00	30.00	900.00	780.00
21	750.01 - 775.00	31.00	930.00	806.00
22	775.01 - 800.00	32.00	960.00	832.00



1	800.01 - 825.00	33.00	990.00	858.00
2	825.01 - 850.00	34.00	1020.00	884.00
3	850.01 - 875.00	35.00	1050.00	910.00
4	875.01 - 900.00	36.00	1080.00	936.00
5	900.01 - 925.00	37.00	1110.00	962.00
6	925.01 - 950.00	38.00	1140.00	988.00
7	950.01 - 975.00	39.00	1170.00	1014.00
8	975.01 -1000.00	40.00	1200.00	1040.00
9	1000.01 -1025.00	41.00	1230.00	1066.00
10	1025.01 -1050.00	42.00	1260.00	1092.00
11	1050.01 -1075.00	43.00	1290.00	1118.00
12	1075.01 -1100.00	44.00	1320.00	1144.00
13	1100.01 -1125.00	45.00	1350.00	1170.00
14	1125.01 -1150.00	46.00	1380.00	1196.00
15	1150.01 -1175.00	47.00	1410.00	1222.00
16	1175.01 -1200.00	48.00	1440.00	1248.00
17	1200.01 -1225.00	49.00	1470.00	1274.00
18	1225.01 -1250.00	50.00	1500.00	1300.00
19	1250.01 -1275.00	51.00	1530.00	1326.00
20	1275.01 -1300.00	52.00	1560.00	1352.00
21	1300.01 -1325.00	53.00	1590.00	1378.00
22	1325.01 -1350.00	54.00	1620.00	1404.00



1 1350.01 and over 55.00 1650.00 1430.00"

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

4 "§383-23 Weekly benefit for unemployment. For weeks  
5 beginning prior to January 5, 1992, each eligible individual who  
6 is unemployed, as defined in section 383-1, in any week shall be  
7 paid with respect to that week a benefit in an amount equal to  
8 the individual's weekly benefit amount less that part of the  
9 wages (if any) payable to the individual with respect to that  
10 week which is in excess of \$2. Effective for weeks beginning  
11 January 5, 1992, and thereafter, each eligible individual who is  
12 unemployed, as defined in section 383-1, in any week shall be  
13 paid with respect to that week a benefit in an amount equal to  
14 the individual's weekly benefit amount less that part of the  
15 wages (if any) payable to the individual with respect to that  
16 week which is in excess of \$50. Effective for weeks beginning  
17 January 1, 2008, and thereafter, each eligible individual who is  
18 unemployed, as defined in section 383-1, in any week shall be  
19 paid with respect to that week a benefit in an amount equal to  
20 the individual's weekly benefit amount less that part of the  
21 wages, if any, payable to the individual with respect to that



1 week which is in excess of \$150. The benefit, if not a multiple  
2 of \$1, shall be computed to the next higher multiple of \$1."

3 SECTION 3. Section 383-61, Hawaii Revised Statutes, is  
4 amended to read as follows:

5 "(c) For the calendar year 1991 only, the term "wages"  
6 does not include remuneration in excess of \$7,000 paid with  
7 respect to employment to an individual by an employer. For  
8 calendar years 2008, 2009, and 2010 only, the term "wages" as  
9 used in this part does not include remuneration in excess of  
10 \$13,000 paid with respect to employment to an individual by an  
11 employer so long as the balance of the unemployment trust fund  
12 does not fall below the adequate reserve fund as specified by  
13 section 383-63."

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

17 ""Adequate reserve fund" means an amount that is equal to  
18 the amount derived by multiplying the benefit cost rate that is  
19 the highest during the ten-year period ending on November 30 of  
20 each year by the total remuneration paid by all employers, with  
21 respect to all employment for which contributions are payable  
22 during the last four calendar quarters ending on June 30 of the





1 same year, as reported on contribution reports filed on or  
2 before October 31 of the same year. "Remuneration", as used in  
3 this definition, means wages as defined in section 383-10. For  
4 the purpose of determining the highest benefit cost rate, the  
5 benefit cost rate for the first twelve-consecutive-calendar-  
6 month period beginning with the first day of the first month of  
7 the ten-year period and for each succeeding twelve-consecutive-  
8 calendar-month period beginning with the first day of each  
9 subsequent month shall be computed.

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



1 month period beginning with the first day of the first month of  
2 the ten-year period and for each succeeding twelve-consecutive-  
3 calendar-month period beginning with the first day of each  
4 subsequent month shall be computed."

5 SECTION 5. The department of labor and industrial  
6 relations shall submit a report to the legislature no later than  
7 twenty days prior to the convening of the regular session of  
8 2011 detailing the effect of this Act on the unemployment  
9 compensation fund. The report shall include but not be limited  
10 to the:

- 11 (1) Effects of the temporary increase in benefits under  
12 section 1 of this Act;
- 13 (2) Lowering of the adequate reserve from eighteen months  
14 to twelve months under section 4 of this Act on the  
15 ability of the fund to recover without depletion of  
16 the reserves, in the event of a significant rise of  
17 the unemployment rate;
- 18 (3) Recommendations to the legislature as to whether or  
19 not to make section 1 and section 4 of this Act  
20 permanent;



- 1 (4) Historical data and information on the unemployment  
2 compensation fund, including an economic analysis of  
3 the fund adequacy from 1970 to present; and  
4 (5) An evaluation of the economic trends from 1970 and its  
5 potential effects on the solvency and adequacy of the  
6 unemployment fund.

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

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

APPROVED this 30 day of MAY, 2007



GOVERNOR OF THE STATE OF HAWAII

