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Testimony to the House Committee on Labor & Public Employment
Tuesday, January 26, 2010

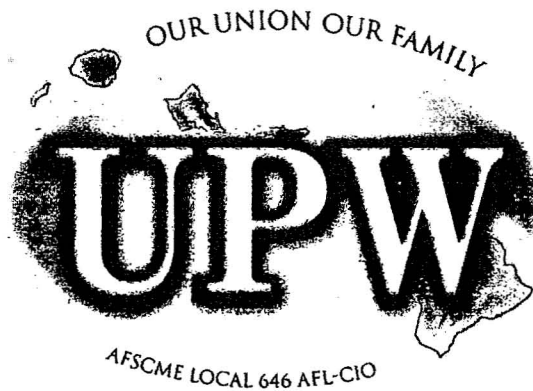
Testimony supporting the intent of HB 2207, Relating to Employment Security

To: The Honorable Karl Rhoads, Chair
The Honorable Kyle Yamashita, Vice-Chair
Members of the Committee on Labor & Public Employment

My name is Stefanie Sakamoto and I am testifying on behalf of the Hawaii Credit Union League, the local trade association for over 90 Hawaii credit unions, representing approximately 810,000 credit union members across the state.

We support the intent of HB 2207, and appreciate the efforts of the Legislature to address the impact of the unemployment tax increase on Hawaii's businesses. However, we respectfully ask that every effort be made to spread out the unemployment tax increase over time, so as to minimize the "tax-shock" to Hawaii's credit unions. An immediate tax increase could severely impact our ability to provide low-cost services to our members.

Thank you very much for the opportunity to testify.



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House of Representatives
The Twenty-Fifth Legislature
Regular Session of 2010

Committee on Labor & Public Employment
Rep. Karl Rhoads, Chair
Rep. Kyle T. Yamashita, Vice Chair

DATE: Tuesday, January 26, 2010
TIME: 9:00 a.m.
PLACE: Conference Room 309

**TESTIMONY OF THE UNITED PUBLIC WORKERS, LOCAL 646, ON HB 2207,
RELATING TO EMPLOYMENT SECURITY**

This measure provides economic relief to employers by applying contribution rate schedules notwithstanding the ratio of the current reserve fund to the adequate reserve fund; and reduces the maximum weekly benefit amount over the benefit eligibility period.

UPW has concerns with these proposals. Although not unilaterally opposed to phasing in the increase in the unemployment tax rate for employers, we really don't know what the consequence of adjusting the rate schedule has on the fund. Our primary concern remains for an unemployment compensation fund that will provide the necessary benefits to unemployed workers and their families particularly during periods of long-term unemployment.

Secondly, reducing the maximum weekly benefit amount will negatively affect those most in need. Unemployment insurance is their pillar of support in maintaining family income and prevents many from sliding into poverty. And we know that whatever amount of benefits these families receive will be fully pumped back into the local economy.

Thank you for the opportunity to testify.