



GOV. MSG. NO. 1106

EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

March 9, 2012

The Honorable Shan Tsutsui, President
and Members of the Senate
Twenty-Sixth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

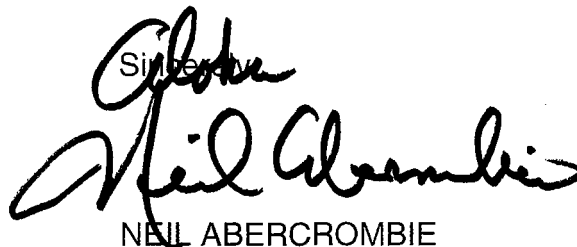
The Honorable Calvin Say, Speaker
and Members of the House
Twenty-Sixth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Tsutsui, Speaker Say and Members of the Legislature:

This is to inform you that on March 9, 2012, the following bill was signed into law:

HB2096 HD1

RELATING TO EMPLOYMENT SECURITY.
Act 006 (12)


NEIL ABERCROMBIE

Governor, State of Hawaii

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~~
9 ~~highest.]~~ In the case of an individual whose benefit year
10 begins after January 4, 1992, the individual's weekly benefit
11 amount shall be, except as otherwise provided in this section,
12 an amount equal to one twenty-first of the individual's total
13 wages for 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 but prior to January 1, 2008, and beginning again on January 1,
19 2012, but prior to April 1, 2012, then beginning again on
20 January 1, 2013, seventy per cent of the average weekly wage
21 shall constitute the maximum weekly benefit amount and shall
22 apply to all claims for benefits filed by an individual



1 qualifying for payment at the maximum weekly benefit amount in
 2 the benefit year commencing on or after the first day of the
 3 calendar year immediately following the determination of the
 4 maximum weekly benefit amount. For benefit years beginning
 5 January 1, 2008, and ending December 31, 2011, and beginning
 6 again on April 1, 2012, and ending December 31, 2012, seventy-
 7 five per cent of the average weekly wage shall constitute the
 8 maximum weekly benefit amount and shall apply to all claims for
 9 benefits filed by an individual qualifying for payment at the
 10 maximum weekly benefit amount in the benefit year commencing on
 11 or after the first day of the calendar year immediately
 12 following the determination of the maximum weekly benefit
 13 amount. The maximum weekly benefit amount, if not a multiple of
 14 \$1, shall be computed to the next higher multiple of \$1.

15	(Column A)	(Column B)	(Column C)	(Column D)
16	High	Basic	Minimum	Maximum
17	Quarter	Weekly	Qualifying	Total Benefits
18	Wages	Benefit	Wages	in Benefit Year
19				
20	\$ 37.50 - 125.00	\$ 5.00	\$ 150.00	\$ 130.00
21	125.01 - 150.00	6.00	180.00	156.00
22	150.01 - 175.00	7.00	210.00	182.00
23	175.01 - 200.00	8.00	240.00	208.00
24	200.01 - 225.00	9.00	270.00	234.00
25	225.01 - 250.00	10.00	300.00	260.00
26	250.01 - 275.00	11.00	330.00	286.00
27	275.01 - 300.00	12.00	360.00	312.00
28	300.01 - 325.00	13.00	390.00	338.00
29	325.01 - 350.00	14.00	420.00	364.00



1	350.01 - 375.00	15.00	450.00	390.00
2	375.01 - 400.00	16.00	480.00	416.00
3	400.01 - 425.00	17.00	510.00	442.00
4	425.01 - 450.00	18.00	540.00	468.00
5	450.01 - 475.00	19.00	570.00	494.00
6	475.01 - 500.00	20.00	600.00	520.00
7	500.01 - 525.00	21.00	630.00	546.00
8	525.01 - 550.00	22.00	660.00	572.00
9	550.01 - 575.00	23.00	690.00	598.00
10	575.01 - 600.00	24.00	720.00	624.00
11	600.01 - 625.00	25.00	750.00	650.00
12	625.01 - 650.00	26.00	780.00	676.00
13	650.01 - 675.00	27.00	810.00	702.00
14	675.01 - 700.00	28.00	840.00	728.00
15	700.01 - 725.00	29.00	870.00	754.00
16	725.01 - 750.00	30.00	900.00	780.00
17	750.01 - 775.00	31.00	930.00	806.00
18	775.01 - 800.00	32.00	960.00	832.00
19	800.01 - 825.00	33.00	990.00	858.00
20	825.01 - 850.00	34.00	1020.00	884.00
21	850.01 - 875.00	35.00	1050.00	910.00
22	875.01 - 900.00	36.00	1080.00	936.00
23	900.01 - 925.00	37.00	1110.00	962.00
24	925.01 - 950.00	38.00	1140.00	988.00
25	950.01 - 975.00	39.00	1170.00	1014.00
26	975.01 -1000.00	40.00	1200.00	1040.00
27	1000.01 -1025.00	41.00	1230.00	1066.00
28	1025.01 -1050.00	42.00	1260.00	1092.00
29	1050.01 -1075.00	43.00	1290.00	1118.00
30	1075.01 -1100.00	44.00	1320.00	1144.00
31	1100.01 -1125.00	45.00	1350.00	1170.00
32	1125.01 -1150.00	46.00	1380.00	1196.00
33	1150.01 -1175.00	47.00	1410.00	1222.00
34	1175.01 -1200.00	48.00	1440.00	1248.00
35	1200.01 -1225.00	49.00	1470.00	1274.00
36	1225.01 -1250.00	50.00	1500.00	1300.00
37	1250.01 -1275.00	51.00	1530.00	1326.00
38	1275.01 -1300.00	52.00	1560.00	1352.00
39	1300.01 -1325.00	53.00	1590.00	1378.00
40	1325.01 -1350.00	54.00	1620.00	1404.00
41	1350.01 and over	55.00	1650.00	1430.00."



1 SECTION 2. Section 383-68, Hawaii Revised Statutes, is
2 amended by amending subsection (c) to read as follows:

3 "(c) Effective with calendar year 1992 and thereafter,
4 before December 31 of the previous year the contribution rate
5 schedule for the following calendar year shall be determined on
6 the basis of the relationship between the most recent current
7 reserve fund and the most recent adequate reserve fund, in
8 accordance with this subsection and subsection (d).

9 (1) Whenever the ratio of the current reserve fund to the
10 adequate reserve fund is greater than 1.69,
11 contribution rate schedule A shall apply.

12 (2) Whenever the ratio of the current reserve fund to the
13 adequate reserve fund is 1.3 to 1.69, contribution
14 rate schedule B shall apply.

15 (3) Whenever the ratio of the current reserve fund to the
16 adequate reserve fund is 1.0 to 1.29, contribution
17 rate schedule C shall apply.

18 (4) Whenever the ratio of the current reserve fund to the
19 adequate reserve fund is .80 to .99, contribution rate
20 schedule D shall apply.



1 (5) Whenever the ratio of the current reserve fund to the
2 adequate reserve fund is .60 to .79, contribution rate
3 schedule E shall apply.

4 (6) Whenever the ratio of the current reserve fund to the
5 adequate reserve fund is .40 to .59, contribution rate
6 schedule F shall apply.

7 (7) Whenever the ratio of the current reserve fund to the
8 adequate reserve fund is .20 to .39, contribution rate
9 schedule G shall apply.

10 (8) Whenever the ratio of the current reserve fund to the
11 adequate reserve fund is less than .20, contribution
12 rate schedule H shall apply.

13 Notwithstanding the ratio of the current reserve fund to
14 the adequate reserve fund, contribution rate schedule D shall
15 apply for calendar year 2010 and contribution rate schedule F
16 shall apply for calendar [~~year~~] years 2011[-] and 2012."

17 SECTION 3. Section 383-128, Hawaii Revised Statutes, is
18 amended by amending subsection (b) to read as follows:

19 "(b) The moneys in the employment and training fund may be
20 used for funding:

21 (1) The operation of the state employment service for
22 which no federal funds have been allocated;



- 1 (2) Business-specific training programs to create a more
- 2 diversified job base and to carry out the purposes of
- 3 the new industry training program pursuant to section
- 4 394-8;
- 5 (3) Industry or employer-specific training programs where
- 6 there are critical skill shortages in high growth
- 7 occupational or industry areas;
- 8 (4) Training and retraining programs to assist workers who
- 9 have become recently unemployed or are likely to be
- 10 unemployed;
- 11 (5) Programs to assist residents who do not otherwise
- 12 qualify for federal or state job training programs to
- 13 overcome employment barriers; [~~and~~]
- 14 (6) Training programs to provide job-specific skills for
- 15 individuals in need of assistance to improve career
- 16 employment prospects[-]; and
- 17 (7) The payment of interest due on Title XII advances made
- 18 under the provisions of section 1202(b) of the Social
- 19 Security Act, as amended, to the unemployment
- 20 compensation fund."

21 SECTION 4. Section 383-129, Hawaii Revised Statutes, is
22 amended by amending subsection (a) to read as follows:



1 "(a) In addition to contributions determined by section
2 383-68, every employer, except an employer who has selected an
3 alternative method of financing liability for unemployment
4 compensation benefits pursuant to section 383-62, [~~or an~~
5 ~~employer who has been assigned a minimum rate of zero per cent~~
6 ~~or the maximum rate of five and four tenths per cent in~~
7 ~~accordance with section 383-68,~~] shall be subject to an
8 employment and training fund assessment at a rate of .01 per
9 cent of taxable wages as specified in section 383-61. If
10 interest is due on a Title XII advance under the provisions of
11 section 1202(b) of the Social Security Act, as amended, the
12 employment and training fund assessment shall be used to pay the
13 interest due. The director shall have the discretion to
14 determine the amount of the employment and training assessment
15 rate for the calendar year 2012 in increments of .01 per cent.
16 Notwithstanding any provisions of this chapter to the contrary,
17 any amounts collected but not applied to interest payments due
18 in 2012, shall not be returned retroactively to any employer and
19 shall be retained in the employment and training fund."

20 SECTION 5. (a) The director of labor and industrial
21 relations may utilize section 103-6, Hawaii Revised Statutes, or
22 may borrow moneys from the federal government pursuant to title



1 XII of the Social Security Act, to cover the insolvency of the
2 unemployment compensation fund.

3 (b) The director of labor and industrial relations shall
4 use the loan proceeds only to pay unemployment benefits pursuant
5 to chapter 383, Hawaii Revised Statutes, and may not use the
6 loan proceeds to pay for any other expenses such as
7 administrative expenses.

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

10 SECTION 7. This Act shall take effect upon its approval
11 and shall apply retroactively to January 1, 2012; provided that
12 on January 1, 2013, sections 3 and 4 of this Act shall be
13 repealed and sections 383-128 and 383-129, Hawaii Revised
14 Statutes, shall be reenacted in the form in which they read on
15 December 31, 2010.

APPROVED this 9 day of MAR, 2012



GOVERNOR OF THE STATE OF HAWAII

