

STAND. COM. REP. NO. 1055

Honolulu, Hawaii

MAR 25 2013

RE: H.B. No. 915

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 915 entitled:

"A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY LAW,"

begs leave to report as follows:

The purpose and intent of this measure is to improve the integrity of the State unemployment insurance program in conformance with federal law.

More specifically, this measure authorizes the Department of Labor and Industrial Relations to:

- (1) Recoup certain overpayments of unemployment benefits from an employer's unemployment trust fund account;
- (2) Impose a penalty upon certain individuals who receive overpaid unemployment benefits and to recoup both the penalty amount and the overpayment from the individual's federal income tax refund;
- (3) Offset an employer's default of advance payments, contributions, or reimbursements against the employer's federal income tax refund payments; and
- (4) Use funds in the State's account in the unemployment trust fund to pay fees authorized under the Internal Revenue Code for the review of reductions relating to credits and refunds.



Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations.

Your Committee finds that this measure would conform Hawaii's employment security laws to the federal Trade Adjustment Assistance Extension Act of 2011. Federal law prohibits states from relieving charges to an employer's account when an overpayment results from the employer's failure to respond to the Department's written request for information and requires states to impose a specified minimum penalty on fraudulent overpayments. Failure to adopt the imposition of the minimum penalty may result in the State's loss of \$13,000,000 in federal grants. This measure reflects the State's commitment to participate in the federal Treasury Offset Program, enabling receipt of federal funds for integrity activities relating to unemployment insurance funds.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 915, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

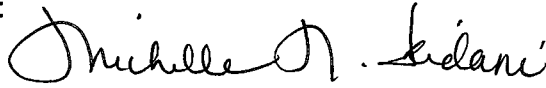


DAVID Y. IGE, Chair



The Senate
Twenty-Seventh Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HB 915	Committee Referral: WAM	Date: 3-20-13		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.				✓
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.				✓
KOUCHI, Ronald D.				✓
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.	✓			
SLOM, Sam	✓			
TOTAL	10	0	0	3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes