
A BILL FOR AN ACT

RELATING TO LABOR.

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

1 SECTION 1. Section 371-11, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§371-11 Research and statistics; employers to keep
4 certain records. The department of labor and industrial
5 relations:

6 (1) Shall investigate and gather data regarding the wages,
7 hours, and other conditions and practices of
8 employment in the State, and may enter and inspect
9 [sueh] places and [sueh] records [←], and make [sueh]
10 transcriptions thereof[→], and investigate [sueh]
11 facts, conditions, practices, or matters as are
12 necessary or appropriate to carry into effect the
13 duties imposed upon it under this chapter or under the
14 rules of the department;

15 (2) May investigate, collect, and publish [sueh]
16 information relating to the cost of living in the
17 State as it deems advisable;



1 (3) Shall collect, file, and publish [such] information
 2 relating to labor and industrial relations and shall
 3 perform [such] other duties as the director of labor
 4 and industrial relations shall by rule prescribe.

5 Every employer subject to this chapter or any
 6 rule or regulation of the department issued under this
 7 chapter shall make, keep, and preserve [such] records
 8 of the [persons]:

9 (A) Persons employed by the employer, including the
 10 name, physical address, North American Industry
 11 Classification System code, and number of
 12 employees; and [of the wages,]

13 (B) Wages, hours, and other conditions and practices
 14 of employment,
 15 maintained by the employer, and preserve [such] the
 16 records for [such] periods of time, as the department
 17 may by rule prescribe. The director or the director's
 18 authorized representative shall for the purpose of
 19 examination have access to and the right to copy from
 20 [such] the records any matter or thing pertinent to
 21 this section, and every employer shall furnish to the



1 director or the director's authorized representative
2 on demand a copy under oath of [such] the material
3 portion of [~~such~~] the records as the director or the
4 director's authorized representative requires, and if
5 the director so requires, upon forms prescribed or
6 approved by the director;

- 7 (4) The department shall collect, assemble, and furnish
8 information regarding group life insurance plans,
9 group medical, hospitalization, and health insurance
10 plans, and pension and retirement plans, at the
11 request of any employer or employee. Upon the request
12 of any employer or employee, the department shall
13 undertake a study of the feasibility of establishing
14 any or all of [~~such~~] the plans for [~~such~~] persons as
15 may be designated by the employer or employee making
16 the request. If the department determines that it
17 will be feasible to establish [~~such~~] plan or plans for
18 the persons so designated, it shall render all
19 necessary assistance to the persons who will be
20 included in [~~such~~] the plan or plans, including but
21 not limited to [~~such~~] matters as negotiating for and



1 on behalf of [~~sueh~~] the persons with insurance
2 companies, and drafting of contracts and agreements.
3 If the department determines that it will not be
4 feasible to establish [~~sueh~~] the plan or plans for the
5 persons designated because of the small number or the
6 diversity of occupations within the group or for any
7 other reason, the department shall actively solicit
8 the participation of as many other employers and
9 employees within the State as may be necessary to form
10 a group or groups for which it shall be feasible to
11 establish the plan or plans contemplated by the
12 employer or employee who made the original request,
13 and shall furnish all necessary assistance in similar
14 manner.

15 The department shall adopt all necessary rules and
16 regulations to carry out the purposes of this section."

17 SECTION 2. Section 373L-2, Hawaii Revised Statutes, is
18 amended by amending subsection (b) to read as follows:

19 "(b) Registration information required by this section
20 shall include:



- 1 (1) The name or names under which the professional
2 employer organization conducts or will conduct
3 business;
- 4 (2) The address of the principal place of business of the
5 professional employer organization and the address of
6 each office that the professional employer
7 organization maintains in this State;
- 8 (3) The professional employer organization's general
9 excise tax number;
- 10 (4) A copy of the certificate of authority to transact
11 business in this State issued by the director of
12 commerce and consumer affairs pursuant to title 23 or
13 title 23A, if applicable;
- 14 (5) A list, organized by jurisdiction, of each name under
15 which the professional employer organization has
16 operated in the preceding five years, including any
17 alternative names; names of predecessors; and, if
18 known, names of successor business entities;
- 19 (6) A statement of ownership, which shall include the name
20 of each person who, individually or acting in concert
21 with any other person or persons, owns or controls,



1 directly or indirectly, twenty-five per cent or more
2 of the equity interests of the professional employer
3 organization;

4 (7) A statement of management, which shall include the
5 name of any person who serves as president or chief
6 executive officer or who otherwise has the authority
7 to act as a senior executive officer of the
8 professional employer organization;

9 (8) Proof of valid workers' compensation coverage in
10 compliance with all laws of this State;

11 (9) Proof of compliance with the Hawaii temporary
12 disability insurance law;

13 (10) Proof of compliance with the Hawaii prepaid health
14 care act;

15 (11) Proof of compliance with the Hawaii employment
16 security law, including payment of any applicable
17 employer liability pursuant to chapter 383;

18 (12) The name, address, and phone number of the financial
19 institution utilized by the professional employer
20 organization for payroll purposes that operates and
21 maintains branches in the State;



1 (13) The name, physical address, North American Industry
2 Classification System code, and number of employees of
3 each client company that is party to a professional
4 employer agreement with a professional employer
5 organization, which shall be provided to the
6 department on a form approved by the department within
7 twenty-one business days of the initiation of the
8 agreement and within twenty-one business days of the
9 termination of the agreement; and

10 (14) A copy of the Internal Revenue Service Form W-3,
11 Transmittal of Wage and Tax Statements, that was most
12 recently filed with the federal government, and which
13 shall be used for obtaining a bond or irrevocable
14 letter of credit pursuant to section 373L-3."

15 SECTION 3. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 4. This Act shall take effect upon its approval.

18

INTRODUCED BY: 

JAN 29 2015



H.B. NO. 1497

Report Title:

Labor; Professional Employer Organizations; Employers; Records

Description:

Requires employers to make, keep, and preserve records of the name, physical address, North American Industry Classification System code, and number of employees employed by the employer. Requires professional employer organizations to provide the physical address, North American Industry Classification System code, and number of employees of each client company to the DLIR.

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