

Title:

Payroll Hawaii, Unique Aspects of Hawaii Payroll Law and Practice

Word Count:

835

Summary:

Hawaii payroll has some unique aspects and conditions. Some of the details and laws are set out in this article including information concerning: tax withholding and reporting; unemployment insurance taxes and reporting; wage and hour laws; and child support withholding.

Keywords:

Payroll Hawaii, Hawaii payroll, payroll, Hawaii payroll taxes, Hawaii Income Tax, Hawaii payroll withholding, Hawaii payroll service, Hawaii Unemployment Insurance, Hawaii Child Support

Article Body:

<b>The Hawaii State Agency that oversees the collection and reporting of State income taxes deducted from payroll checks is:</b>

Department of Taxation  
Withholding Tax  
P.O. Box 3827  
Honolulu, Hi 96812-3827  
808-587-4242  
[www.state.hi.us/tax/tax.html](http://www.state.hi.us/tax/tax.html)

Hawaii requires that you use Hawaii form "HW-4, Employee's Withholding Exemption and Status Certificate" instead of a Federal W-4 Form for Hawaii State Income Tax Withholding.

Not all states allow salary reductions made under Section 125 cafeteria plans or 401(k) to be treated in the same manner as the IRS code allows. In Hawaii cafeteria plans are: not taxable for income tax calculation; taxable for unemployment insurance purposes. 401(k) plan deferrals are: not taxable for income taxes; taxable for unemployment purposes.

In Hawaii supplemental wages are required to be aggregated for the state income tax withholding calculation.

You may not file your Hawaii State W-2s by magnetic media.

<b>The Hawaii State Unemployment Insurance Agency is:</b>

The Department of Labor and Industrial Relations  
Unemployment Insurance Division  
830 Punchbowl St.  
Honolulu, HI 96813  
808-586-8970  
<http://hawaii.gov/labor/>

The state of Hawaii taxable wage base for unemployed purposes is wages up to \$30, 200.

Hawaii has optional reporting of quarterly wages on magnetic media.

Unemployment records must be retained in Hawaii for a minimum period of five years. This information generally includes: name; social security number; dates of hire, rehire and termination; wages by period; payroll pay periods and pay dates; date and circumstances of termination.

<b>The Hawaii State Agency charged with enforcing the state wage and hour laws is:</b>

The Department of Labor and Industrial Relations  
Enforcement Division  
830 Punchbowl St., Rm. 340  
Honolulu, HI 96813  
808-586-8777  
<http://hawaii.gov/labor/wsd/index.shtml>

The minimum wage in Hawaii is \$6.25 per hour.

The general provision in Hawaii concerning paying overtime in a non-FLSA covered employer is one and one half times regular rate after 40-hour week.

Hawaii State new hire reporting requirements are that every employer must report every new hire and rehire. The employer must report the federally required elements of:

- <li>Employee's name</li>
- <li>Employee's address</li>
- <li>Employee's social security number</li>

- <li>Employer's name</li>
- <li>Employer's address</li>
- <li>Employer's Federal Employer Identification Number (EIN) </li></ul>

This information must be reported within 20 days of the hiring or rehiring. The information can be sent as a W4 or equivalent by mail, fax or electronically.

There is a \$25.00 penalty for a late report in Hawaii.

The Hawaii new hire reporting agency can be reached at 808-692-7029.

Hawaii does allow compulsory direct deposit except for State employees hired after 7/1/1998.

Hawaii requires the following information on an employee's pay stub:

- <ul><li>Gross and Net Earnings</li>
- <li>pay period dates</li>
- <li>payment date</li>
- <li>itemized deductions</li></ul>

Hawaii requires that employee be paid no less often than semimonthly; monthly if union contract or director of labor relations allows..

Hawaii requires that the lag time between the end of the pay period and the payment of wages to the employee not exceed seven days; up to 15 if the director of labor relations allows.

Hawaii payroll law requires that involuntarily terminated employees must be paid their final pay immediately or the next working day if immediately is impossible. The next regular payday if suspended due to a labor dispute or temporarily laid off.

Voluntarily terminated employees must be paid their final pay by the next regular payday or by mail if employee requests it; immediately if one pay period's notice is given.

Deceased employee's wages up to \$2000.00 must be paid to the surviving spouse or adult children (in that order) within 30 days. Conditions require an affidavit of relationship and a receipt.

Escheat laws in Hawaii require that unclaimed wages be paid over to the state after one year.

The employer is further required in Hawaii to keep a record of the wages abandoned and turned over to the state for a period of five years.

Hawaii payroll law provides for a maximum tip credit against minimum wage of \$0.25.

In Hawaii the payroll laws covering mandatory rest or meal breaks are only that minors under 16 must have a 30-minute meal period after five hours of work.

There is no provision in Hawaii law concerning record retention of wage and hour records therefor it is probably wise to follow FLSA guidelines.

**<b>The Hawaii agency charged with enforcing Child Support Orders and laws is:</b>**

Child Support Enforcement Agency  
Department of the Attorney General  
601 Kamokila Blvd., Ste 251  
Kapolei, HI 96707  
808-587-4250  
<http://hawaii.gov/ag/csea>

Hawaii has the following provisions for child support deductions:

- <li>When to start Withholding? <b>first pay period within 7 days of mailing</b></li>**
- <li>When to send Payment? <b>Within 5 days of Payday.</b></li>**
- <li>When to send Termination Notice? <b>Immediately</b></li>**
- <li>Maximum Administrative Fee? <b>\$2 per payment</b></li>**
- <li>Withholding Limits? <b>Federal Rules under CCPA.</b></li>**

Please note that this article is not updated for changes that can and will happen from time to time.