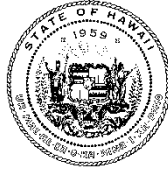


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STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

July 5, 2018

To: All Departments and Jurisdictions

From: Roderick K. Becker, Comptroller 
Department of Accounting and General Services

Subject: Notification of State Payroll Collection of Agency Fees Processing for
Non-Members Designated by Unions Pursuant to Janus Case Decision

Pursuant to the June 27, 2018 United States Supreme Court Decision, the State of Hawaii intends to suspend agency fee deductions for individuals that are not members of unions. The Department of Accounting and General Services (DAGS), as the designated payroll processor for all state agencies, is stopping deductions of agency fees for non-member individuals as directed by certain unions beginning the July 5, 2018 payroll. However, given the short notice, in addition to the already tight State payroll deadlines, not all deduction terminations of agency fees for non-members was processed.

DAGS will continue to process additional non-member agency fee deduction terminations as directed by unions and will resolve instances where deductions may not have been suspended in the legacy payroll mainframe. Non-member deductions that were active in the new HawaiiPay payroll system (Group 1 agencies) were processed successfully based on the data provided by unions beginning with the July 5, 2018 payroll.

The State payroll systems (legacy mainframe and the new HawaiiPay application) does not store any data designating union membership status as it relates to appropriate dues withholding. Therefore, any union that confirms it has a non-member population is being asked to provide that information to the State for proper suspension of agency fees withholding.

While it is DAGS' intent as the State's payroll processor to suspend non-member deductions as soon as possible, any discrepancies due to the required timing and process verification should be directed to each jurisdiction, department or agency's payroll unit to coordinate corrections as necessary with DAGS' central payroll unit.

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We will apprise jurisdictions and departments of required deadlines and process modifications to effectuate future changes to union deduction processing, as appropriate. Thank you for your responsiveness in taking immediate action and supporting communications on this matter. Should there be any questions, you may contact Wayne Horie Accounting Division Chief at wayne.m.horie@hawaii.gov or 586-0600.

c: Russell Suzuki, Attorney General
Ryker Wada, DHRD Director
Cynthia Covell, DOE Assistant Superintendent, Office of Human Resources
Juanita Lauti, HHSC Director of Human Resources
Dee Wakabayashi, Judiciary Human Resources Director
Kimberly Hashiro, UH Associate Director of Human Resources
Department/Jurisdiction Administrative Services Officers & Payroll Units
Department/Jurisdiction Human Resources Officers