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# A BILL FOR AN ACT

RELATING TO THE SPECIAL FUND FOR DISABILITY BENEFITS.

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

1           SECTION 1. The purpose of this Act is to amend the purpose  
2 of the special fund for disability benefits to allow for the use  
3 of currently available funds for automation purposes, and to  
4 appropriate an unspecified amount of funds from the special fund  
5 for disability benefits for automation of the department of  
6 labor and industrial relations' disability compensation  
7 division, which includes the workers' compensation, prepaid  
8 health care, and temporary disability insurance programs.  
9 Automation would increase efficiency and entail providing  
10 employers, carriers, employees, and doctors the ability to  
11 submit their required forms via Internet.

12           For several years, the state auditor has expressed concern  
13 in regards to the amount of money the special fund is collecting  
14 versus the amount of funds it actually needs to fulfill its  
15 legislative mandate. This offers the opportunity of using funds  
16 paid by employers to automate the disability compensation fund,  
17 which would directly improve the department's services, while



1 lowering business costs. These funds were paid by businesses  
2 and it is prudent we use these funds to their benefit.

3 SECTION 2. Section 392-61, Hawaii Revised Statutes, is  
4 amended to read as follows:

5 "~~[f]~~§392-61~~[f]~~ **Establishment of special fund for**  
6 **disability benefits.** There is established in the treasury of  
7 the State, separate and apart from all public moneys or funds of  
8 the State, a special fund for disability benefits which shall be  
9 administered by the director exclusively for the purposes of  
10 this chapter~~[r]~~, and for the automation of the workers'  
11 compensation, temporary disability insurance, and prepaid health  
12 care programs. All contributions pursuant to this part shall be  
13 paid into the fund and all benefits payable under this part  
14 shall be paid from the fund. The fund shall consist of:

- 15 (1) ~~[all]~~ All contributions collected pursuant to this  
16 part, together with any interest thereon;  
17 (2) ~~[all]~~ All fines and penalties for the fund pursuant to  
18 this chapter;  
19 (3) ~~[all]~~ All moneys collected by way of subrogation;  
20 (4) ~~[interest]~~ Interest earned on any moneys in the fund;  
21 (5) ~~[any]~~ Any property or securities acquired through the  
22 use of moneys belonging to the fund;



1           (6) [~~all~~] All earnings of such property and securities;  
2                           and

3           (7) [~~all~~] All other moneys received for the fund from any  
4                           source."

5           SECTION 3. There is appropriated out of the special fund  
6 for disability benefits the sum of \$       or so much thereof as  
7 may be necessary for fiscal year 2008-2009 for the automation of  
8 the workers' compensation, temporary disability insurance, and  
9 prepaid health care programs.

10           The sum appropriated shall be expended by the department of  
11 labor and industrial relations for the purposes of this Act.

12           SECTION 4. Statutory material to be repealed is bracketed  
13 and stricken. New statutory material is underscored.

14           SECTION 5. This Act shall take effect on July 1, 2059.



**Report Title:**

Workers' Compensation; Temporary Disability; Automation

**Description:**

Amends the purpose of the special fund for disability benefits to allow for the use of currently available funds for automation purposes. Appropriates \$ from the special fund for disability benefits for automation of the department of labor and industrial relations' disability compensation division. Effective 07/01/2059. (HB3163 HD1)

