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## A BILL FOR AN ACT

RELATING TO THE HEALTH FUND.

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

1           SECTION 1. The purpose of this Act is to address the  
2 health fund contributions and reimbursements by the State for  
3 retired state employees and their dependent-beneficiaries. More  
4 specifically, this Act establishes a formula for the  
5 reimbursement of the state general fund from non-general funds  
6 for such payments.

7           The legislature finds that the formula established under  
8 this Act is reasonable. The legislature realizes that actually  
9 identifying the specific amounts of non-general funds that  
10 should apply to each individual retired state employee would be  
11 excessively cumbersome and impractical. Thus, the legislature  
12 chooses to establish a reasonable formula.

13           SECTION 2. Section 87A-39, Hawaii Revised Statutes, is  
14 amended to read as follows:

15           "~~§~~87A-39~~§~~ Reimbursement for state contributions. (a)  
16 All state agencies having control of funds other than the  
17 general fund shall reimburse the State for contributions made by  
18 the State pursuant to ~~[sections]~~ section 87A-32~~[, 87A-33, 87A-34~~



1 ~~87A-35, 87A-36, and 87A-37~~] on account of active, agency  
2 employees whose compensation is paid in whole or part from funds  
3 other than the general fund.

4 ~~[(b)]~~ All state and county agencies receiving federal  
5 funds, which may be expended for the purpose of replacing the  
6 contributions payable by the State to the fund, shall set aside  
7 a portion of the federal funds sufficient to reimburse the State  
8 for contributions made by the State pursuant to ~~[sections]~~  
9 section 87A-32 [~~, 87A-33, 87A-34, 87A-35, 87A-36, and 87A-37,~~] on  
10 account of the active employees in the agencies whose  
11 compensation is paid in whole or part from federal funds.

12 (b) During each fiscal year, the State shall pay for the  
13 contributions and reimbursements for retired state employees and  
14 their qualified dependent-beneficiaries under sections 87A-23,  
15 87A-33, 87A-33.5, 87A-34, 87A-35, 87A-36, and 87A-37 with  
16 general funds; provided that part of the payment shall be  
17 reimbursed from non-general funds in the manner calculated  
18 according to this subsection as follows:

19 (1) First, the sum of the State's contribution to the  
20 employees' retirement system in fiscal years  
21 1990-1991, 1991-1992, 1992-1993, 1993-1994, and 1994-  
22 1995 shall be calculated;



- 1       (2) Second, of the sum under paragraph (1), the proportion  
2       contributed by each non-general fund shall be  
3       calculated;
- 4       (3) Third, the proportion of each non-general fund  
5       contribution calculated under paragraph (2) shall be  
6       applied to the total payment by the State during the  
7       fiscal year for retired state employees and their  
8       qualified dependent-beneficiaries under sections  
9       87A-23, 87A-33, 87A-33.5, 87A-34, 87A-35, 87A-36, and  
10       87A-37; and
- 11       (4) The dollar amount calculated for each non-general fund  
12       contribution under paragraph (3) shall be the amount  
13       to be reimbursed from that non-general fund to the  
14       general fund for that fiscal year; provided that:
- 15       (A) A non-general fund currently in existence that  
16       has had its name, purpose, or revenue source  
17       amended since the period specified under  
18       paragraph (1) shall be deemed the same non-  
19       general fund;
- 20       (B) If a non-general fund that existed during the  
21       period specified under paragraph (1) no longer



1 exists, then there shall be no reimbursement from  
2 that non-general fund; and

3 (C) No reimbursement shall be made from any federal  
4 fund, even if contributions were made from that  
5 federal fund to the employees' retirement system  
6 during the period specified under paragraph (1).

7 The director of finance shall make the reimbursements from  
8 each non-general fund within sixty days after the end of the  
9 applicable fiscal year."

10 SECTION 3. Section 87A-39(b), Hawaii Revised Statutes,  
11 shall apply commencing with fiscal year 2009-2010, and the  
12 reimbursement for that fiscal year from non-general funds to the  
13 general fund, as required by that subsection, shall be made  
14 within sixty days at the end of that fiscal year.

15 SECTION 4. Statutory material to be repealed is bracketed  
16 and stricken. New statutory material is underscored.

17 SECTION 5. This Act shall take effect on July 1, 2010.

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INTRODUCED BY:

Calvin K. Aoy

JAN 27 2010



**Report Title:**

Employer-Union Health Benefits Trust Fund

**Description:**

Establishes a formula for the reimbursement of the state general fund from non-general funds for health fund contributions for retired state employees.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

