

STAND. COM. REP. NO.

803

Honolulu, Hawaii

MAR 01 2013

RE: S.B. No. 867

S.D. 2

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 867, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND,"

begs leave to report as follows:

The purpose and intent of this measure is to remove the specific monetary caps on what public employers must pay for retiree health benefits.

Specifically, this measure:

- (1) Repeals provisions relating to the base monthly contributions for health benefit plans paid by the State and counties for retired public employees;
- (2) Repeals the requirement that the base composite monthly contribution be adjusted annually and the method for calculating the contribution; and
- (3) Makes conforming amendments to corresponding sections of the law relating to the Hawaii Employer-Union Health Benefits Trust Fund to reflect the amendments under this measure.

Your Committee received written comments in support of this measure from the Hawaii Government Employees Association.



Your Committee received written comments in opposition to this measure from the Department of Budget and Finance.

Your Committee received written comments on this measure from the Department of the Attorney General.

Your Committee finds that monthly contribution limits to the Hawaii Employer-Union Health Benefits Trust Fund for retired employee beneficiaries helps to ensure sustainable health benefit plans and control the State's and counties' actuarially accrued liabilities for other post-employment benefits that are calculated under the assumption that contribution limits and caps would remain in effect.

Your Committee has amended this measure by:

- (1) Providing an unspecified base monthly contribution amount for supplemental Medicare and non-Medicare two-party plans;
- (2) Setting forth the required state and county base monthly contribution for other retiree health benefit plans as unspecified amounts beginning January 1, 2014; and
- (3) Making conforming amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 867, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 867, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
\_\_\_\_\_  
DAVID Y. IGE, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* SB 867, SD 1	Committee Referral: JDL, WAM	Date: 2-21-13		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.				✓
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.	✓			
SLOM, Sam		✓		
<b>TOTAL</b>	11	1	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <span style="float:right; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</span>				
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\*Only one measure per Record of Votes