

JAN 24 2013

A BILL FOR AN ACT

RELATING TO PAYMENTS BY THE STATE.

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

1 SECTION 1. Chapter 346, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§346- Financial assistance payments. (a) The
5 department of human services shall provide financial assistance
6 payments to eligible persons by means of:

7 (1) A debit card issued under the Hawaii electronic
8 benefit transfer system, which allows beneficiaries to
9 access their benefits at food retailers through their
10 point of sale machines or automated teller machines;

11 or

12 (2) Direct deposit through an electronic funds transfer
13 into an account in a financial institution designated
14 by the beneficiary.

15 (b) The department of human services shall implement the
16 financial assistance payments by issuing debit cards or direct
17 deposit electronic funds transfers no later than July 1, 2015."



1 SECTION 2. Chapter 386, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§386- Workers' compensation payments. (a) The State
5 shall provide workers' compensation payments to eligible persons
6 by means of:

- 7 (1) A debit card issued under the Hawaii electronic
8 benefit transfer system, which allows beneficiaries to
9 access their benefits at food retailers through their
10 point of sale machines or automated teller machines;
11 or
12 (2) Direct deposit through an electronic funds transfer
13 into an account in a financial institution designated
14 by the beneficiary.

15 (b) The State shall implement the workers' compensation
16 payments by issuing debit cards or direct deposit electronic
17 funds transfers no later than July 1, 2015."

18 SECTION 3. Section 40-53, Hawaii Revised Statutes, is
19 amended to read as follows:

20 "§40-53 Salary and pension payments. (a) All payments
21 for permanent settlements, specific and all other salaries,
22 shall be drawn by the comptroller, payable to each individual to



1 whom the State is directly indebted, except as provided for in
2 section 40-58. [~~No permanent settlements nor salary checks~~
3 ~~shall be paid by the director of finance until the person in~~
4 ~~whose favor the check is drawn shall have indorsed the person's~~
5 ~~signature thereon.~~]

6 (b) All employees [~~hired on or after July 1, 1998,~~] shall
7 designate a financial institution account into which the State
8 [~~is authorized to~~] shall deposit the employee's pay[~~.—The~~
9 ~~comptroller may waive the requirements of this section for any~~
10 ~~state employee upon request by the head of the employing~~
11 ~~department under policies prescribed by the comptroller.] or
12 issue a debit card under the Hawaii electronic benefit transfer
13 system. The State shall implement the payments by issuing
14 direct deposit electronic funds transfers or debit cards no
15 later than July 1, 2015.~~

16 (c) The implementation of this section shall not be
17 subject to negotiation under chapter 89."

18 SECTION 4. Section 88-6, Hawaii Revised Statutes, is
19 amended to read as follows:

20 "**§88-6 Payment of refunds and retirement benefits.** (a)

21 Notwithstanding any other provision of this chapter:



1 (1) All retirees and beneficiaries of the state retirement
2 system or county pension funds shall be paid
3 semimonthly; provided that:

4 (A) All retirees and beneficiaries of the state
5 retirement system who either retire or become
6 beneficiaries after January 1, 2003, shall be
7 paid monthly; and

8 (B) Effective July 1, 2011, all retirees and
9 beneficiaries of the state retirement system
10 shall be paid monthly; provided that this
11 subparagraph shall not apply to any retiree or
12 beneficiary who:

13 (i) Became a retiree or beneficiary prior to
14 January 1, 2003;

15 (ii) Is eighty years of age or older on
16 January 1, 2011; and

17 (iii) Receives \$800 or less of pension benefits
18 each month; and

19 (2) ~~[Any retiree or beneficiary]~~ All retirees and
20 beneficiaries of the state retirement system ~~[whose~~
21 ~~benefit commences after June 30, 2001,]~~ shall
22 designate a financial institution account into which



1 the system shall be authorized to deposit their
2 retirement benefit[~~and effective April 1, 2011, all~~
3 ~~retirees and beneficiaries of the state retirement~~
4 ~~system shall designate a financial institution account~~
5 ~~into which the system shall be authorized to deposit~~
6 ~~their state retirement system benefits. This method~~
7 ~~of payment may be waived by the system.] or receive a
8 debit card issued under the Hawaii electronic benefit
9 transfer system.~~

10 (b) Any member, former employee, retirant, or beneficiary
11 to whom accumulated contributions or a hypothetical account
12 balance, as defined in section 88-311, is payable after June 30,
13 2008, shall, if the payment will be greater than \$250 and the
14 member, former employee, retirant, or beneficiary does not elect
15 to rollover the payment into an eligible retirement plan,
16 designate a financial institution account into which the system
17 shall be authorized to deposit the payment[~~. This method of~~
18 ~~payment may be waived by the system if another method is~~
19 ~~determined to be more appropriate.] or receive a debit card
20 issued under the Hawaii electronic benefit transfer system.~~



1 (c) The State shall implement payments to retirees and
2 beneficiaries by direct deposit electronic funds transfers or
3 debit cards no later than July 1, 2015."

4 SECTION 5. Section 576B-319, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "[+]§576B-319[+] **Receipt and disbursement of payments.**

7 (a) A support enforcement agency or tribunal of this State
8 shall disburse promptly any amounts received pursuant to a
9 support order, as directed by the order[-], by means of:

10 (1) A debit card issued under the Hawaii electronic
11 benefit transfer system, which allows beneficiaries to
12 access their support payments at food retailers
13 through their point of sale machines or automated
14 teller machines; or

15 (2) Direct deposit through an electronic funds transfer
16 into an account in a financial institution designated
17 by the beneficiary.

18 (b) The support enforcement agency or tribunal shall
19 implement the payments by issuing debit cards or direct deposit
20 electronic funds transfers no later than July 1, 2015.

21 (c) The agency or tribunal shall furnish to a requesting
22 party or tribunal of another state a certified statement by the



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1 custodian of the record of the amounts and dates of all payments
2 received."

3 SECTION 6. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 7. This Act shall take effect upon its approval.

6

INTRODUCED BY:

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S.B. NO. 1331

Report Title:

State Payments; Hawaii Electronic Benefit Transfer System;
Direct Deposit

Description:

Requires the State to issue all payments that recur more than once per year by means of a direct deposit electronic funds transfer or debit card issued under the Hawaii electronic benefit transfer system no later than July 1, 2015.

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

