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## A BILL FOR AN ACT

RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST  
FUND.

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

1           SECTION 1. The Hawaii employer-union health benefits trust  
2 fund (EUTF) offers health benefits to the children of state and  
3 county employees and retirees. Due to the current construction  
4 of chapter 87A, Hawaii Revised Statutes, when an employee or  
5 retiree passes away, children of the employee or retiree's  
6 surviving spouse that were born after the employee or retiree's  
7 death are eligible to participate in benefits plans offered by  
8 the fund. The legislature finds that a child born after an  
9 employee or retiree's death, who is not the natural child of the  
10 deceased employee or retiree, should not be eligible to  
11 participate in fund benefits plans because such a child is not  
12 the child of the state or county employee or retiree. The  
13 legislature also finds that the definition of "dependent-  
14 beneficiary" should be amended to be consistent with the federal  
15 Patient Protection and Affordable Care Act, which prohibits  
16 restricting health insurance coverage to only unmarried



1 dependents and denying health insurance coverage to married  
2 dependents.

3 Finally, the legislature finds that continued viability of  
4 the EUTF necessitates the imposition of an enhancement of  
5 benefits moratorium to control health benefit costs.

6 The purpose of this Act is to:

- 7 (1) Provide for a moratorium on benefit enhancements that  
8 increase other post-employment benefits liability  
9 within the EUTF statute; and
- 10 (2) Amend the definition of "dependent-beneficiary"  
11 contained in chapter 87A, Hawaii Revised Statutes, to  
12 clarify eligibility of children for participation in  
13 fund benefit plans and to bring the definition of  
14 "dependent-beneficiary" into conformance with the  
15 federal Patient Protection and Affordable Care Act.

16 SECTION 2. Chapter 87A, Hawaii Revised Statutes, is  
17 amended by adding a new section to be appropriately designated  
18 and to read as follows:

19 "§87A- Moratorium on benefit enhancements that increase  
20 other post-employment benefits liability. There shall be no  
21 benefit enhancements under this chapter for retired employee-



1 beneficiaries and their eligible dependents until such time as  
2 the actuarial value of the separate trust fund for other post-  
3 employment benefits' assets equals one hundred per cent of the  
4 separate trust fund's actuarial accrued liability; except that  
5 benefit enhancements that do not increase other post-employment  
6 benefits liability or that decrease other post-employment  
7 benefits liability shall be allowed."

8 SECTION 3. Section 87A-1, Hawaii Revised Statutes, is  
9 amended by amending the definition of "dependent-beneficiary" to  
10 read as follows:

11 "Dependent-beneficiary" means an employee-beneficiary's:  
12 (1) Spouse;  
13 (2) [~~Unmarried child~~] Child deemed eligible by the board,  
14 including a legally adopted child, stepchild, foster  
15 child, or recognized natural child who lives with the  
16 employee-beneficiary[+], but excluding a child born  
17 more than ten months after the death of an employee  
18 killed in the performance of duty, born more than ten  
19 months after the death of an active employee who was  
20 eligible to retire on the date of death, or born more



1           than ten months after the date of death of a retired  
2           employee-beneficiary; and

3           (3) Unmarried child regardless of age who is incapable of  
4           self-support because of a mental or physical  
5           incapacity, which existed prior to the unmarried  
6           child's reaching the age of nineteen years."

7           SECTION 4. Statutory material to be repealed is bracketed  
8 and stricken. New statutory material is underscored.

9           SECTION 5. This Act shall take effect on July 1, 2015.



**Report Title:**

Hawaii Employer-Union Health Benefits Trust Fund

**Description:**

Provides a moratorium on benefit enhancements that increase other post-employment benefits liability. Amends the definition of "dependent-beneficiary." (HB922 HD1)

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