
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 legislature finds that the Hawaii employer-
2 union health benefits trust fund offers health benefits to the
3 children of state and county employees and retirees. Due to the
4 current construction of chapter 87A, Hawaii Revised Statutes,
5 when an employee or retiree passes away, the employee's or
6 retiree's surviving spouse's children that are born after the
7 employee's or retiree's death are eligible to participate in
8 benefits plans offered by the fund. However, the legislature
9 finds that a child born or legally adopted after an employee's
10 or retiree's death who is not the natural child of the deceased
11 employee or retiree should not be eligible to participate in
12 fund benefits plans because the child is not the child of the
13 state or county employee or retiree.

14 The legislature further finds that the definition of
15 "dependent-beneficiary" should be amended to be consistent with
16 the federal Patient Protection and Affordable Care Act of 2010,
17 which prohibits restricting health insurance coverage to only



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

3 The purposes of this Act are to:

- 4 (1) Amend the definition of "dependent-beneficiary"
5 contained in chapter 87A, Hawaii Revised Statutes, to
6 clarify eligibility of children for participation in
7 fund benefit plans;
- 8 (2) Bring the definition of "dependent-beneficiary" into
9 conformance with the federal Patient Protection and
10 Affordable Care Act of 2010; and
- 11 (3) Make housekeeping amendments to sections 87A-34 and
12 87A-36, Hawaii Revised Statutes.

13 SECTION 2. Section 87A-1, Hawaii Revised Statutes, is
14 amended by amending the definition of "dependent-beneficiary" to
15 read as follows:

16 "Dependent-beneficiary" means an employee-beneficiary's:

- 17 (1) Spouse;
- 18 (2) [~~Unmarried child~~] Child deemed eligible by the board,
19 including a legally adopted child, stepchild, foster
20 child, or recognized natural child who lives with the
21 employee-beneficiary[+], but excluding a child born or



1 legally adopted more than ten months after the death
2 of an employee killed in the performance of duty, born
3 or legally adopted more than ten months after the
4 death of an active employee who was eligible to retire
5 on the date of death, or born or legally adopted more
6 than ten months after the date of death of a retired
7 employee-beneficiary; and

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

12 SECTION 3. Section 87A-34, Hawaii Revised Statutes, is
13 amended by amending subsection (a) to read as follows:

14 "(a) This section shall apply to state and county
15 contributions to the fund for employees specified in paragraph
16 [~~(1)~~(E)] (1)(D) of the definition of "employee" in section 87A-1
17 who:

- 18 (1) Were hired on or before June 30, 1996; and
19 (2) Retired after June 30, 1984, with fewer than ten years
20 of credited service, excluding sick leave."



1 SECTION 4. Section 87A-36, Hawaii Revised Statutes, is
2 amended by amending subsection (c) to read as follows:

3 "(c) The State, through the department of budget and
4 finance, and the counties, through their respective departments
5 of finance, shall pay to the fund:

6 (1) For retired employees based on the self plan with ten
7 or more years but fewer than fifteen years of service,
8 a monthly contribution equal to one-half of the base
9 medicare or non-medicare monthly contribution set
10 forth under section 87A-33(b);

11 (2) For retired employees based on the self plan with at
12 least fifteen but fewer than twenty-five years of
13 service, a monthly contribution equal to seventy-five
14 per cent of the base medicare or non-medicare monthly
15 contribution set forth under section 87A-33(b);

16 (3) For retired employees based on the self plan with
17 twenty-five or more years of service, a monthly
18 contribution equal to one-hundred per cent of the base
19 medicare or non-medicare monthly contribution set
20 forth under section 87A-33(b); and



1 (4) One-half of the monthly contributions for the
2 employee-beneficiary or employee-beneficiary with
3 dependent-beneficiaries upon the death of the
4 employee, as defined in paragraph [~~(1)(E)~~] (1)(D) of
5 the definition of "employee" in section 87A-1.

6 If both husband and wife are employee-beneficiaries, the
7 total contribution by the State or county shall not exceed the
8 monthly contribution for two supplemental medicare self or non-
9 medicare self plans, as appropriate."

10 SECTION 5. This Act does not affect the rights that
11 accrued before the effective date of this Act.

12 SECTION 6. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 7. This Act shall take effect on July 1, 2016.



Report Title:

Hawaii Employer-union Health Benefits Trust Fund; Dependent-beneficiary

Description:

Amends the definition of "dependent-beneficiary" as used in chapter 87A, HRS, and make housekeeping amendments. (SD2)

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