

Honolulu, Hawaii  
March 22, 2016

RE: S.B. No. 2428  
S.D. 2  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred S.B. No. 2428, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEES,"

begs leave to report as follows:

The purpose of this measure is to require the Employees' Retirement System to send a portion of a retiree's pension directly to the Hawaii Employer-Union Health Benefits Trust Fund (Trust Fund) to pay the difference between what the public employer is obligated to pay and the actual cost of the health benefits plan for the retiree.

Specifically, this measure requires the Employees' Retirement System to fund the shortfall by withholding retirement benefit payment amounts until the Trust Fund authorizes the automatic electronic payment of those payment amounts, beginning after January 1, 2017.

The Board of Trustees of the Trust Fund and the Board of Trustees of the Employees' Retirement System provided comments on this measure.

Your Committee has amended this measure by:

- (1) Moving the amendments from section 88-6(c), Hawaii Revised Statutes, to a new section in chapter 87A, Hawaii Revised Statutes;



- (2) Deleting the requirement that beginning after January 1, 2017, the Trust Fund authorize automatic electronic payments;
- (3) Deleting the requirement that any opt out election is final and irrevocable;
- (4) Requiring the Board of Trustees of the Trust Fund instead of the Board of Trustees for the Employees' Retirement System to submit an annual report to the Legislature on the contribution amounts paid to the Trust Fund; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2428, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2428, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Labor & Public  
Employment,



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MARK M. NAKASHIMA, Chair



State of Hawaii  
House of Representatives  
The Twenty-eighth Legislature

HSCR 1158-16

**Record of Votes of the Committee on Labor & Public Employment**

Bill/Resolution No.: <b>SB 2428, SD2</b>	Committee Referral: <b>LAB, FIN</b>	Date: <b>3/18/16</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKASHIMA, Mark M. (C)	/			
2. KEOHOKALOLE, Jarrett (VC)	/			
3. AQUINO, Henry J.C.	/			
4. HAR, Sharon E.	/			
5. ICHIYAMA, Linda	/			
6. JOHANSON, Aaron Ling	/			
7. LoPRESTI, Matthew S.	/			
8. SAN BUENAVENTURA, Joy A.	/			
9. TAKUMI, Roy M.	/			
10. YAMASHITA, Kyle T.	/			
11. TUPOLA, Andria P.L.				/
<b>TOTAL (11)</b>	<b>10</b>			<b>1</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: _____ 				
Distribution: Original (White) – Committee            Duplicate (Yellow) – Chief Clerk's Office            Duplicate (Pink) – HMSO				