

STAND. COM. REP. NO. 2801

Honolulu, Hawaii

MAR 04 2016

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

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2428, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to require the Employees' Retirement System to send a portion of a retiree's pension directly to the Employee-Union Health Benefits 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 through withholdings of retirement benefit payment amounts, until the Hawaii Employer-Union Health Benefits Trust Fund authorizes the automatic electronic payment of those payment amounts, beginning after June 30, 2016.

Your Committee received written comments in support of this measure from three individuals.

Your Committee received written comments on this measure from the Employees' Retirement System and the Hawaii Employer-Union Health Benefits Trust Fund.

Your Committee finds that this measure will ensure that health benefit payment amounts are made in a timely manner and promote administrative efficiency.

SB2428 SD2 SSCR LRB 16-1669-1.doc



Your Committee has amended this measure by changing:

- (1) From June 30, 2016, to January 1, 2017, the earliest commencement date for the Hawaii Employer-Union Health Benefits Trust Fund authorization of automatic electronic payments in lieu of withholdings; and
- (2) The effective date of the measure from July 1, 2016, to July 1, 2076, to facilitate further discussion on the measure.

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. 2428, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2428, S.D. 2.

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



JILL N. TOKUDA, Chair



