

MAR 10 2017

SENATE CONCURRENT RESOLUTION

URGING THE DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS TO
PREPARE A CHECKLIST FOR EMPLOYERS WISHING TO OFFER A HIGH
DEDUCTIBLE HEALTH PLAN FOR USE WITH A HEALTH SAVINGS
ACCOUNT TO FACILITATE THE SUBMISSION AND APPROVAL PROCESS
FOR EMPLOYERS SEEKING SUCH PACKAGES.

1 WHEREAS, since January 1, 2014, employers across the nation
2 have had the option, through section 223 of the Internal Revenue
3 Code, to offer high deductible health plans to their employees
4 to enable the employees to receive favorable federal tax
5 benefits when they open a health savings account; and
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7 WHEREAS, Hawaii income tax law conforms to section 223 of
8 the Internal Revenue Code through section 235-2.3(a), Hawaii
9 Revised Statutes, and also affords favorable state tax treatment
10 to health savings accounts; and
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12 WHEREAS, pursuant to section 393-7, Hawaii Revised
13 Statutes, an employer subject to the Hawaii Prepaid Health Care
14 Act must receive approval from the Director of Labor and
15 Industrial Relations in order to offer its employees a
16 healthcare option, such as a high deductible health plan in
17 tandem with a health savings account, in addition to coverage
18 under a prepaid health care plan; and
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20 WHEREAS, the current Director of Labor and Industrial
21 Relations has stated through testimony that it is possible for a
22 high deductible health plan, in tandem with a health savings
23 account, to satisfy section 393-7(b), Hawaii Revised Statutes,
24 depending on the specific package containing the high deductible
25 health plan and health savings account that an employer presents
26 to the Director; and
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28 WHEREAS, in order for a package containing a high
29 deductible health plan and health savings account to receive
30 widespread support it would need to require the employer to make



1 a certain level of contribution to the health savings account
2 and a certain level of contribution to the cost of the coverage
3 of dependents under a package; and
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5 WHEREAS, an employer is not required to offer a package
6 containing a high deductible health plan and health savings
7 account, nor is any employee required to enroll in such a
8 package; and
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10 WHEREAS, the significant federal and state tax benefits to
11 employees who hold health savings accounts include the
12 deductibility of contributions to health savings accounts,
13 subject to a limit; tax-free growth of the contributions held by
14 health savings accounts; and the exemption from income tax of
15 any distribution from a health savings account if the
16 distribution is used exclusively to pay qualified medical
17 expenses; now, therefore,
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19 BE IT RESOLVED by the Senate of the Twenty-ninth
20 Legislature of the State of Hawaii, Regular Session of 2017, the
21 House of Representatives concurring, that the Department of
22 Labor and Industrial Relations is urged to prepare a checklist
23 for employers wishing to offer a high deductible health plan for
24 use with a health savings account to facilitate the submission
25 and approval of high deductible health plan and health savings
26 account packages submitted to the Director of Labor and
27 Industrial Relations for approval; and
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29 BE IT FURTHER RESOLVED that the requested checklist
30 prepared by the Department of Labor and Industrial Relations
31 should help avoid administrative submission issues with
32 receiving approval under section 393-7(b), Hawaii Revised
33 Statutes, as well as submission to the Prepaid Health Care
34 Advisory Council; and
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36 BE IT FURTHER RESOLVED that a certified copy of this
37 Concurrent Resolution be transmitted to the Director of Labor
38 and Industrial Relations.
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OFFERED BY: *Rosaly H Baker*
By Request

