



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

September 15, 2020

GOV. MSG. NO. 1167

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirtieth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Thirtieth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on September 15, 2020, the following bill was signed into law:

SB2866 SD2 HD2

RELATING TO THE HAWAII EMPLOYER-UNION
HEALTH BENEFITS TRUST FUND EMPLOYEE-
BENEFICIARY MONTHLY CONTRIBUTIONS.

Act 062 (20)

Sincerely,

DAVID Y. IGE

Governor, State of Hawai'i

Approved by the Governor

on SEP 15 2020

THE SENATE
THIRTIETH LEGISLATURE, 2020
STATE OF HAWAII

ACT 062

S.B. NO. 2866
S.D. 2
H.D. 2

A BILL FOR AN ACT

RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
EMPLOYEE-BENEFICIARY MONTHLY CONTRIBUTIONS.

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
3 active and retired employees of the State, counties, and their
4 dependents. The fund currently offers retired employees and
5 surviving employee-beneficiaries who are responsible for all or
6 a portion of their monthly health benefit premiums the option to
7 pay through monthly electronic deductions from their employees'
8 retirement system pension or financial institution, or by check.
9 In order to improve operational efficiency, reduce banking fees,
10 and ensure that retired employees and surviving employee-
11 beneficiaries do not miss any monthly payments and possibly lose
12 their health benefits, the legislature finds that retired
13 employees and surviving employee-beneficiaries should be
14 required to pay their share of the health benefit premiums
15 through monthly electronic deductions.



1 The purpose of this Act is to amend section 87A-40, Hawaii
2 Revised Statutes, to mandate that newly retired employees and
3 surviving employee-beneficiaries pay their share of health
4 benefits premiums through monthly electronic deduction from
5 their employees' retirement system pension or their financial
6 institution.

7 SECTION 2. Section 87A-40, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "~~[+]~~§87A-40~~[+]~~ **Employee-beneficiary contributions; health**
10 **benefit plans.** (a) Each employee-beneficiary shall make a
11 monthly contribution to the fund amounting to the difference
12 between the monthly charge of the health benefits plan selected
13 by the employee-beneficiary and the contribution made by the
14 State or county for the employee-beneficiary to the fund.
15 Nothing in this section shall prohibit any employee-beneficiary
16 from participating in a cafeteria plan authorized under Title 26
17 United States Code section 125, Internal Revenue Code of 1986,
18 as amended, and section 78-30.

19 (b) ~~[During]~~ Except as provided in subsection (c), during
20 the period the health benefits plan selected by an employee-
21 beneficiary is in effect, the employee-beneficiary, if allowed



1 by law, shall authorize the employee-beneficiary's contribution
2 to be withheld and transmitted to the fund monthly by the
3 comptroller, employees' retirement system, or finance officer
4 who disburses the employee-beneficiary's compensation, pension,
5 or retirement pay. If an employee-beneficiary's contribution to
6 the fund is not withheld and transmitted to the fund, the
7 employee-beneficiary shall pay the monthly contribution[+]

8 ~~(1) In the case of an employee beneficiary who normally~~
9 ~~receives the employee beneficiary's compensation from~~
10 ~~the comptroller or employees' retirement system,~~
11 ~~directly to the fund by the first day of each month;~~
12 ~~or~~

13 ~~(2) In the case of all other employee beneficiaries, to~~
14 ~~the respective finance officer from whom the employee-~~
15 ~~beneficiary normally receives compensation for~~
16 ~~transmittal to the fund by the first day of each~~
17 ~~month.]~~

18 directly to the fund by the first day of each month.

19 (c) Each employee-beneficiary who retires after June 30,
20 2020, and each surviving spouse or surviving child who enrolls
21 in a health plan offered by the fund as an employee-beneficiary



1 after June 30, 2020, shall authorize their contribution to the
2 fund to be electronically withheld or deducted and transmitted
3 to the fund monthly by the employees' retirement system or the
4 financial institution of the retirant or retirant's surviving
5 beneficiary. This method may be waived by the fund if another
6 method is determined to be more appropriate. If the
7 contribution by the retirant or the retirant's surviving
8 beneficiary is not electronically withheld, deducted, or
9 transmitted to the fund, the retirant or the retirant's
10 surviving beneficiary shall pay their monthly contribution
11 directly to the fund by the first day of each month.

12 [~~e~~] (d) Notwithstanding subsection (a), an employee-
13 beneficiary's monthly contribution to the fund shall include the
14 amount that would have been the employee-beneficiary's
15 contribution if the employee-beneficiary had not elected to
16 participate in the cafeteria plan."

17 SECTION 3. Section 88-95, Hawaii Revised Statutes, is
18 amended to read as follows:

19 "§88-95 Withholding of dues and insurance premiums. A
20 [~~retired member, if the retired member requests in writing, may~~]
21 retirant or the retirant's surviving beneficiary shall have



1 withheld from the [~~retired member's~~] retirant's or the
2 retirant's surviving beneficiary's pension, annuity, or
3 retirement allowance, payments to the employer-union health
4 benefits trust fund and employee organizations for dues and
5 insurance premiums."

6 SECTION 4. This Act does not affect rights and duties that
7 matured, penalties that were incurred, and proceedings that were
8 begun before its effective date.

9 SECTION 5. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 6. This Act shall take effect upon its approval.

APPROVED this **15** day of **SEP**, 2020

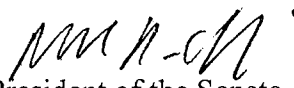



GOVERNOR OF THE STATE OF HAWAII

THE SENATE OF THE STATE OF HAWAI'I

Date: July 10, 2020
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirtieth Legislature of the State of Hawai'i, Regular Session of 2020.


President of the Senate


Clerk of the Senate

THE HOUSE OF REPRESENTATIVES OF THE
STATE OF HAWAII

Date: July 6, 2020
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Third Reading in the House of Representatives of the Thirtieth Legislature of the State of Hawaii, Regular Session of 2020.



Scott K. Saiki
Speaker
House of Representatives



Brian L. Takeshita
Chief Clerk
House of Representatives