
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 and 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 their financial institution, or by
9 check. 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 benefits premiums
15 through monthly electronic deductions.

16 The purpose of this Act is to require:



1 (1) Newly retired employees and surviving employee
 2 beneficiaries to pay their share of health benefits
 3 premiums through monthly electronic deductions from
 4 their employees' retirement system pension or their
 5 financial institution; and

6 (2) Newly retired employees and surviving employee-
 7 beneficiaries and active employees to pay monthly
 8 contributions not withheld or transmitted, directly to
 9 the fund by the first day of each month.

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

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



1 (b) During the period the health benefits plan selected by
2 an ~~[employee beneficiary]~~ active employee is in effect, the
3 ~~[employee beneficiary,]~~ active employee, if allowed by law,
4 shall authorize the ~~[employee beneficiary's]~~ active employee's
5 contribution to be withheld and transmitted to the fund monthly
6 by the comptroller ~~[, employees' retirement system,]~~ or finance
7 officer who disburses the ~~[employee beneficiary's]~~ active
8 employee's compensation ~~[, pension, or retirement pay]~~. If the
9 entire amount of an ~~[employee beneficiary's]~~ active employee's
10 contribution to the fund is not withheld and transmitted to the
11 fund, the ~~[employee beneficiary]~~ active employee shall pay the
12 remaining monthly contribution [+]

13 ~~[-(1) In the case of an employee beneficiary who normally~~
14 ~~receives the employee beneficiary's compensation from~~
15 ~~the comptroller or employees' retirement system,~~
16 ~~directly to the fund by the first day of each month,~~
17 ~~or~~

18 ~~-(2) In the case of all other employee beneficiaries, to~~
19 ~~the respective finance officer from whom the employee~~
20 ~~beneficiary normally receives compensation for~~
21 ~~transmittal to the fund by the first day of each~~



1 ~~month.]~~ directly to the fund by the first day of each
2 month.

3 (c) Each retired employee or surviving employee-
4 beneficiary, who enrolls as an employee-beneficiary in the
5 health plans offered by the fund, if allowed by law, shall
6 authorize the retired employee or surviving employee-
7 beneficiary's contribution to be electronically withheld or
8 deducted and transmitted to the fund monthly by the employees'
9 retirement system or the retired employee or surviving employee-
10 beneficiary's financial institution; provided that this method
11 may be waived by the fund if another method is determined to be
12 more appropriate. If a retired employee or surviving employee-
13 beneficiary's contribution to the fund is not electronically
14 withheld or deducted and transmitted to the fund, the retired
15 employee or surviving employee-beneficiary shall pay their
16 monthly contribution directly to the fund by the first day of
17 each month.

18 [~~(e)~~] (d) Notwithstanding subsection (a), an employee-
19 beneficiary's monthly contribution to the fund shall include the
20 amount that would have been the employee-beneficiary's



1 contribution if the employee-beneficiary had not elected to
2 participate in the cafeteria plan."

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

5 "§88-95 Withholding of dues and insurance premiums. A
6 retired member, or the retired member's surviving beneficiary
7 under sections 88-83, 88-283, or 88-333, if the retired member
8 or the retired member's surviving beneficiary requests in
9 writing, may have withheld from the retired member's or retired
10 member's surviving beneficiary's pension, annuity, or retirement
11 allowance, payments to the employer-union health benefits trust
12 fund and employee organizations for dues and insurance
13 premiums."

14 SECTION 4. This Act does not affect rights and duties that
15 matured, penalties that were incurred, and proceedings that were
16 begun before its effective date.

17 SECTION 5. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 6. This Act shall take effect on January 1, 2050.



Report Title:

Hawaii Employer-Union Health Benefits Trust Fund; Retirees;
Premiums; Electronic Deductions

Description:

Amends section 87A-40, Hawaii Revised Statutes, to mandate that newly retired employees pay their share of health benefits premiums through monthly electronic deductions from their employees' retirement system pension or their financial institution. Effective 1/1/2050. (HD1)

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