

Honolulu, Hawaii

FEB 12 , 2020

RE: H.B. No. 2310  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 2310 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND EMPLOYEE-BENEFICIARY MONTHLY CONTRIBUTIONS, "

begs leave to report as follows:

The purpose of this measure is to require:

- (1) Newly retired employees and their surviving employee beneficiaries to pay their share of health benefits premiums through monthly electronic deductions from the Employees' Retirement System (ERS) pension or their financial institution; and
- (2) Newly retired employees and surviving employee-beneficiaries and active employees to pay monthly contributions not withheld or transmitted, directly to the ERS Fund by the first day of each month.

Your Committee received testimony in support of this measure from Hawaii Employer-Union Health Benefits Trust Fund. Your Committee received comments on this measure from the Employees' Retirement System.



Your Committee finds that monthly electronic deductions from retired employees or surviving employee-beneficiary's employees' retirement system pension or their financial institution as opposed to checks improves operational efficiency, reduces banking fees, and ensures that retired employees do not miss any monthly payments and possibly lose their health benefits.

Your Committee has amended this measure by:

- (1) Clarifying that if the surviving employee-beneficiary of a retired member of the system is receiving monthly survivor benefits from the system and is enrolled in health plans offered by the fund, the surviving beneficiary may authorize the system to have the beneficiary's contribution withheld;
- (2) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of 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 H.B. No. 2310, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2310, 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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AARON LING JOHANSON, Chair



