
A BILL FOR AN ACT

RELATING TO THE ADEQUATE RESERVE FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 383-63, Hawaii Revised Statutes, is
2 amended by amending the definition of "adequate reserve fund" to
3 read as follows:

4 ""Adequate reserve fund" means an amount that is equal to
5 the amount derived by multiplying the benefit cost rate that is
6 the highest during the ten-year period ending on November 30 of
7 each year by the total remuneration paid by all employers, with
8 respect to all employment for which contributions are payable
9 during the last four calendar quarters ending on June 30 of the
10 same year, as reported on contribution reports filed on or
11 before October 31 of the same year. "Remuneration", as used in
12 this definition, means wages as defined in section 383-10. For
13 the purpose of determining the highest benefit cost rate, the
14 benefit cost rate for the first twelve-consecutive-calendar-
15 month period beginning with the first day of the first month of
16 the ten-year period and for each succeeding twelve-consecutive-



1 calendar-month period beginning with the first day of each
2 subsequent month shall be computed.

3 ~~[Effective for the calendar years 1992 through 2007, and~~
4 ~~for calendar year 2011, "adequate reserve fund" means an amount~~
5 ~~that is equal to the amount derived by multiplying the benefit~~
6 ~~cost rate that is the highest during the ten-year period ending~~
7 ~~on November 30 of each year by the total remuneration paid by~~
8 ~~all employers, with respect to all employment for which~~
9 ~~contributions are payable during the last four calendar quarters~~
10 ~~ending on June 30 of the same year, as reported on contribution~~
11 ~~reports filed on or before October 31 of the same year.~~

12 ~~Effective for the calendar years 2023 through 2030,~~
13 ~~"adequate reserve fund"]~~ "Adequate reserve fund" means an amount
14 that is equal to:

15 (1) One and one-quarter, for calendar year 2026; and

16 (2) One and one-half, for calendar year 2027 and

17 thereafter,

18 times the amount derived by multiplying the benefit cost rate
19 that is the highest during the ten-year period ending on
20 November 30 of each year by the total remuneration paid by all
21 employers, with respect to all employment for which



1 contributions are payable during the last four calendar quarters
2 ending on June 30 of the same year, as reported on contribution
3 reports filed on or before October 31 of the same year, but
4 shall not include the benefit cost rate from June 2020 through
5 August 2021."

6 SECTION 2. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 3. This Act shall take effect on July 1, 2050.



Report Title:

Employment Security Law; Adequate Reserve Fund

Description:

Amends the definition of "adequate reserve fund" by increasing the multiplier used to calculate its amount from the existing factor of one, to one and one-quarter for calendar year 2026 and one and one-half for calendar year 2027 and thereafter.
Effective 7/1/2050. (SD1)

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