

STAND. COM. REP. NO.

318

Honolulu, Hawaii

FEB 11 , 2025

RE: H.B. No. 1040
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Labor, to which was referred H.B. No. 1040
entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYER-UNION
HEALTH BENEFITS TRUST FUND BASE COMPOSITE MONTHLY
CONTRIBUTION,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Effective January 1, 2026, increase the employer base composite monthly contribution to the Hawaii Employer-Union Health Benefits Trust-Fund by 5.2 percent of the 2025 employer base composite monthly contribution; and
- (2) Effective January 1, 2027, require the calculation of the employer base composite monthly contribution to be based on the change in Medicare Part B premiums from 2025-2026 and at two-year increments thereafter.

Your Committee received testimony in support of this measure from the Hawaii Employer-Union Health Benefits Trust Fund Board of Trustees.

Your Committee finds that the employer's monthly base composite contribution to the Employer-Union Health Benefits Trust

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Fund, as it relates to Medicare Part B premiums, are published shortly after open enrollment for retired members of the Employees' Retirement System ends, resulting in retirees committing to healthcare plans for the upcoming year without knowing what the employer's contributions will be. Your Committee believes that this measure will give retirees adequate time to make informed decisions regarding their healthcare benefits.

Your Committee has amended this measure by changing the effective date to July 1, 3000, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1040, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1040, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Labor,



JACKSON D. SARAMA, Chair



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|---|------|---------------------------------|------|-----------------|
| Bill/Resolution No.: HB 1040 | | Committee Referral: LAB, FIN | | Date: 2/4/25 |
| <input type="checkbox"/> The committee is reconsidering its previous decision on the measure. | | | | |
| The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit) | | | | |
| LAB Members | Ayes | Ayes (WR) | Nays | Excused |
| 1. SAYAMA, Jackson D. (C) | X | | | |
| 2. LEE, Mike (VC) | X | | | |
| 3. GARRETT, Andrew Takuya | X | | | |
| 4. KAPELA, Jeanne | X | | | |
| 5. KONG, Sam Satoru | | | | X |
| 6. REYES ODA, Julie | | | | X |
| TOTAL (6) | 4 | | | 2 |
| The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s) | | | | |
| Vice Chair's or designee's signature: _____ | | | | |
| Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO | | | | |