



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

June 7, 2019

GOV. MSG. NO. 1152

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 June 7, 2019, the following bill was signed into law:

SB1204 SD2 HD1 CD1

RELATING TO THE HAWAII EMPLOYER-UNION
HEALTH BENEFITS TRUST FUND DEFINITIONS.
ACT 051 (19)

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

Approved by the Governor

on JUN 7 2019

THE SENATE
THIRTIETH LEGISLATURE, 2019
STATE OF HAWAII

ACT 051

S.B. NO.

1204
S.D. 2
H.D. 1
C.D. 1

A BILL FOR AN ACT

RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
DEFINITIONS.

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 dependents of state and county employees and retirees. Due to
4 the current interpretation of chapter 87A, Hawaii Revised
5 Statutes, when an employee is killed in the performance of the
6 employee's duty, the employee passes away when eligible for
7 retirement, or the retiree passes away, the employee's or
8 retiree's surviving spouse's children that are born after the
9 employee's or retiree's death are eligible to participate in
10 benefit plans offered by the fund. However, the legislature
11 finds that a child born or legally adopted after an employee's
12 or retiree's death who is not the natural or adopted child of
13 the deceased employee or retiree should not be eligible to
14 participate in fund benefit plans because the child is not the
15 child of the state or county employee or retiree.

16 The legislature further finds that the definition of
17 "employee-beneficiary" limits coverage up to age nineteen for



1 surviving children of employees who pass away when eligible for
2 retirement and retirees who pass away, and that is a lower age
3 than surviving children of employees who are killed in the
4 performance of their duty. The date of coverage termination of
5 surviving children of employees who pass away when eligible for
6 retirement and retirees who pass away should be the same as
7 surviving children of employees who are killed in the
8 performance of their duty.

9 The legislature also finds that the definition of
10 "dependent-beneficiary" in section 87A-1, Hawaii Revised
11 Statutes, should be amended to be consistent with the federal
12 Patient Protection and Affordable Care Act of 2010, which
13 prohibits restricting health insurance coverage to only
14 unmarried dependents and dependents who live with the employee-
15 beneficiary, and denying health insurance coverage to married
16 dependents and dependents who do not live with the employee-
17 beneficiary. The legislature further finds that chapter 87A,
18 Hawaii Revised Statutes, should be amended to be consistent with
19 chapter 572B, Hawaii Revised Statutes, regarding civil unions.

20 The purpose of this Act is to:



- 1 (1) Amend the definition of "dependent-beneficiary" in
2 chapter 87A, Hawaii Revised Statutes, to clarify
3 eligibility of children for participation in fund
4 benefit plans;
- 5 (2) Amend the definition of "employee-beneficiary" in
6 chapter 87A, Hawaii Revised Statutes, to distinguish
7 between surviving children and surviving spouses of
8 employees who are killed in the performance of the
9 employee's duty;
- 10 (3) Amend the definition of "employee-beneficiary" in
11 chapter 87A, Hawaii Revised Statutes, to change
12 eligibility of surviving children of employees who
13 pass away when eligible for retirement and retirees
14 who pass away for participation in fund benefit plans;
- 15 (4) Bring the definition of "dependent-beneficiary" into
16 conformance with the federal Patient Protection and
17 Affordable Care Act of 2010; and
- 18 (5) Bring references to marriages into conformance with
19 chapter 572B, Hawaii Revised Statutes.

20 SECTION 2. Section 87A-1, Hawaii Revised Statutes, is
21 amended as follows:



1 1. By amending the definition of "dependent-beneficiary"
2 to read:

3 "Dependent-beneficiary" means an employee-beneficiary's:

4 (1) Spouse;

5 (2) ~~[Unmarried child]~~ Child deemed eligible by the board,
6 including a legally adopted child, stepchild, foster
7 child, or recognized natural child ~~[who lives with the~~
8 ~~employee beneficiary,]~~ , but excluding a child born or
9 legally adopted more than ten months after the date of
10 the death of:

11 (A) An active employee killed in the performance of
12 duty;

13 (B) An active employee who was eligible to retire on
14 the date of death; or

15 (C) A retired employee-beneficiary; and

16 (3) Unmarried child regardless of age who is incapable of
17 self-support because of a mental or physical
18 incapacity, which existed prior to the unmarried
19 child's reaching the age of nineteen years."

20 2. By amending the definition of "employee-beneficiary" to
21 read:



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20

"Employee-beneficiary" means:

- (1) An employee;
- (2) The beneficiary of an employee who is killed in the performance of the employee's duty[+], including:
 - (A) The surviving child, if there is no surviving parent who is eligible to be an employee-beneficiary and the child is unmarried and under the limiting age as defined by the board; and
 - (B) The surviving spouse, if the surviving spouse does not subsequently remarry;
- (3) An employee who retired prior to 1961; and
- (4) The beneficiary of a retired member of the employees' retirement system; a county pension system; or a police, firefighters, or bandsmen pension system of the State or a county, upon the death of the retired member[+], including:
 - ~~[-5-]~~ (A) The surviving child [of a deceased retired employee], if there is no surviving parent who is eligible to be an employee-beneficiary and the child is unmarried and under the [age of



1 ~~nineteen, or~~ limiting age as defined by the
2 board; and

3 [-(6)-] (B) The surviving spouse [~~of a deceased retired~~
4 ~~employee~~], if the surviving spouse does not
5 subsequently remarry;

6 provided that the employee, the employee's beneficiary, or the
7 beneficiary of the deceased retired employee is deemed eligible
8 by the board to participate in a health benefits plan or long-
9 term care benefits plan under this chapter."

10 SECTION 3. Section 87A-32, Hawaii Revised Statutes, is
11 amended by amending subsection (a) to read as follows:

12 "(a) The State, through the department of budget and
13 finance, and the counties, through their respective departments
14 of finance, shall pay to the fund a monthly contribution equal
15 to the amount established under chapter 89C or specified in the
16 applicable public sector collective bargaining agreements,
17 whichever is appropriate, for each of their respective employee-
18 beneficiaries and employee-beneficiaries with dependent-
19 beneficiaries, which shall be used toward the payment of costs
20 of a health benefits plan; provided that:



- 1 (1) The monthly contribution shall be a specified dollar
2 amount;
- 3 (2) The monthly contribution shall not exceed the actual
4 cost of a health benefits plan;
- 5 (3) If [~~both husband and wife are~~] two employee-
6 beneficiaries [~~7~~] are married or in a civil union, the
7 total contribution by the State or the county shall
8 not exceed the monthly contribution for a family plan;
9 and
- 10 (4) If the State or any of the counties establish
11 cafeteria plans in accordance with Title 26, United
12 States Code section 125, the Internal Revenue Code of
13 1986, as amended, and section 78-30, the monthly
14 contribution for those employee-beneficiaries who
15 participate in a cafeteria plan shall be made through
16 the cafeteria plan, and the payments made by the State
17 or counties shall include their respective
18 contributions to the fund and their employee-
19 beneficiary's share of the cost of the employee-
20 beneficiary's health benefits plan."



1 SECTION 4. Section 87A-33, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) Effective January 1, 2014, there is established a
4 base monthly contribution for health benefit plans that the
5 State, through the department of budget and finance, and the
6 counties, through their respective departments of finance, shall
7 pay to the fund, up to the following:

- 8 (1) \$524.73 for each employee-beneficiary enrolled in
9 supplemental medicare self plans;
- 10 (2) \$1,051.70 for each employee-beneficiary enrolled in
11 supplemental medicare two-party plans;
- 12 (3) \$1,531.78 for each employee-beneficiary enrolled in
13 supplemental medicare family plans;
- 14 (4) \$736.60 for each employee-beneficiary enrolled in
15 non-medicare self plans;
- 16 (5) \$1,484.72 for each employee-beneficiary enrolled in
17 non-medicare two-party plans; and
- 18 (6) \$2,173.06 for each employee-beneficiary enrolled in
19 non-medicare family plans.

20 The monthly contribution by the State or county shall not
21 exceed the actual cost of the health benefit plan or plans and



1 shall not be required to cover increased benefits above those
2 initially contracted for by the fund for plan year 2004-2005.

3 If [~~both husband and wife are~~] two employee-beneficiaries[7] are
4 married or in a civil union, the total contribution by the State
5 or county shall not exceed the monthly contribution for a
6 supplemental medicare family or non-medicare family plan, as
7 appropriate."

8 SECTION 5. Section 87A-34, Hawaii Revised Statutes, is
9 amended by amending subsection (b) to read as follows:

10 "(b) The State, through the department of budget and
11 finance, and the counties, through their respective departments
12 of finance, shall pay to the fund a monthly contribution equal
13 to one-half of the base monthly contribution set forth under
14 section 87A-33(b) for retired employees enrolled in medicare or
15 non-medicare health benefits plans. If [~~both husband and wife~~
16 ~~are~~] two employee-beneficiaries[7] are married or in a civil
17 union, the total contribution by the State or county shall not
18 exceed the monthly contribution for supplemental medicare family
19 or non-medicare family plan, as appropriate."

20 SECTION 6. Section 87A-35, Hawaii Revised Statutes, is
21 amended by amending subsection (c) to read as follows:



1 "(c) The State, through the department of budget and
2 finance, and the counties, through their respective departments
3 of finance, shall pay to the fund:

4 (1) For retired employees enrolled in medicare or
5 non-medicare health benefit plans with ten or more
6 years but fewer than fifteen years of service, a
7 monthly contribution equal to one-half of the base
8 monthly contribution set forth under section
9 87A-33(b); and

10 (2) For retired employees enrolled in medicare or
11 non-medicare health benefit plans with at least
12 fifteen but fewer than twenty-five years of service, a
13 monthly contribution of seventy-five per cent of the
14 base monthly contribution set forth under section
15 87A-33(b).

16 If [~~both husband and wife are~~] two employee-beneficiaries[~~7~~] are
17 married or in a civil union, the total contribution by the State
18 or county shall not exceed the monthly contribution for a
19 supplemental medicare family or non-medicare family plan, as
20 appropriate."



1 SECTION 7. Section 87A-36, Hawaii Revised Statutes, is
2 amended by amending subsection (c) to read as follows:

3 "(c) The State, through the department of budget and
4 finance, and the counties, through their respective departments
5 of finance, shall pay to the fund:

6 (1) For retired employees based on the self plan with ten
7 or more years but fewer than fifteen years of service,
8 a monthly contribution equal to one-half of the base
9 medicare or non-medicare monthly contribution set
10 forth under section 87A-33(b);

11 (2) For retired employees based on the self plan with at
12 least fifteen but fewer than twenty-five years of
13 service, a monthly contribution equal to seventy-five
14 per cent of the base medicare or non-medicare monthly
15 contribution set forth under section 87A-33(b);

16 (3) For retired employees based on the self plan with
17 twenty-five or more years of service, a monthly
18 contribution equal to one hundred per cent of the base
19 medicare or non-medicare monthly contribution set
20 forth under section 87A-33(b); and



1 (4) One-half of the monthly contributions for the
2 employee-beneficiary or employee-beneficiary with
3 dependent-beneficiaries upon the death of the
4 employee, as defined in paragraph (1)(D) of the
5 definition of "employee" in section 87A-1;

6 If [~~both husband and wife are~~] two employee-
7 beneficiaries [~~7~~] are married or in a civil union, the total
8 contribution by the State or county shall not exceed the monthly
9 contribution for two supplemental medicare self or non-medicare
10 self plans, as appropriate."

11 SECTION 8. This Act does not affect rights and duties that
12 matured, penalties that were incurred, and proceedings that were
13 begun before its effective date.

14 SECTION 9. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 10. This Act shall take effect upon its approval.

APPROVED this 7 day of JUN, 2019

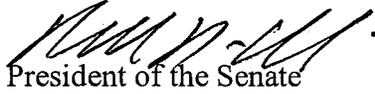


GOVERNOR OF THE STATE OF HAWAII

THE SENATE OF THE STATE OF HAWAI'I

Date: April 30, 2019
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 2019.



President of the Senate



Clerk of the Senate

SB No. 1204, SD 2, HD 1, CD 1

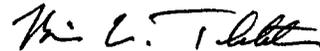
THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: April 30, 2019
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirtieth Legislature of the State of Hawaii, Regular Session of 2019.



Scott K. Saiki
Speaker
House of Representatives



Brian L. Takeshita
Chief Clerk
House of Representatives