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:

SECTION 1. The legislature finds that the Hawaii employer-
union health benefits trust fund offers health benefits to
active and retired employees of the State, counties, and their
dependents. The fund currently offers retired employees and
surviving employee-beneficiaries who are responsible for all or
a portion of their monthly health benefit premiums the option to
pay through monthly electronic deductions from their employees'
retirement system pension or their financial institution, or by
check. In order to improve operational efficiency, reduce
banking fees and ensure that retired employees and surviving
employee-beneficiaries do not miss any monthly payments and
possibly lose their health benefits, the legislature finds that
retired employees and surviving employee-beneficiaries should be
required to pay their share of the health benefits premiums
through monthly electronic deductions.
The purpose of this Act is to amend section 87A-40, Hawaii Revised Statutes, to mandate that new retired employees and surviving employee beneficiaries pay their share of health benefits premiums through monthly electronic deduction from their employees' retirement system pension or their financial institution.

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

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

(b) [During] Except as provided in subsection (c), during the period the health benefits plan selected by an employee-beneficiary is in effect, the employee-beneficiary, if allowed
by law, shall authorize the employee-beneficiary's contribution
to be withheld and transmitted to the fund monthly by the
comptroller, employees' retirement system, or finance officer
who disburses the employee-beneficiary's compensation, pension,
or retirement pay. If an employee-beneficiary's contribution to
the fund is not withheld and transmitted to the fund, the
employee-beneficiary shall pay the monthly contribution directly
to the fund by the first day of each month.

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

(2)  In the case of all other employee-beneficiaries, to
the respective finance officer from whom the employee-
beneficiary normally receives compensation for
transmittal to the fund by the first day of each
month.]

(c) Each employee-beneficiary who retires after June 30,
2020, and each surviving spouse or child of a retired employee-
beneficiary who enrolls in the health plan offered by the fund
after June 30, 2020, shall authorize their contribution to the
fund to be electronically withheld or deducted and transmitted
to the fund monthly by the employees' retirement system or the
financial institution of the retirant or retirant's surviving
beneficiary. This method may be waived by the fund if another
method is determined to be more appropriate. If the
contribution by the retirant or the retirant's surviving
beneficiary is not electronically withheld, deducted, or
transmitted to the fund, the retirant or the retirant's
surviving beneficiary shall pay their monthly contribution
directly to the fund by the first day of each month.

[4(e)] (d) Notwithstanding subsection (a), an employee-
beneficiary's monthly contribution to the fund shall include the
amount that would have been the employee-beneficiary's
contribution if the employee-beneficiary had not elected to
participate in the cafeteria plan."

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

"§88-95 Withholding of dues and insurance premiums. A
[retired-member,] retirant, or the retirant's surviving
beneficiary, if the [retired-member] retirant, or the surviving
beneficiary, requests in writing, may have withheld from the
retired member's pension, annuity, or retirement allowance,
payments to the employer-union health benefits trust fund and
employee organizations for dues and insurance premiums."

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

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

SECTION 6. This Act shall take effect upon its approval.
Report Title:
Hawaii Employer-union Health Benefits Trust Fund

Description:
Amends section 87A-40, Hawaii Revised Statutes, to mandate that new retired employees pay their share of health benefits premiums through monthly electronic deductions from their employees' retirement system pension or their financial institution. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.