

RE: S.B. No. 2866
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii
Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2866, S.D. 1, 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 and intent of this measure is to require that new retired employees or their surviving employee beneficiaries pay their share of health benefit premiums through monthly electronic deductions from their Employees' Retirement System pensions or their financial institutions.

Your Committee received written comments in support of this measure from the Hawaii Employer-Union Health Benefits Trust Fund and one individual.

Your Committee received written comments on this measure from the Employees' Retirement System.

Your Committee finds that monthly recurring electronic deductions of retiree premiums from their bank accounts or their Employees' Retirement System pensions will reduce administrative time and costs and protect retirees from a termination of benefits if they neglect to make payments.

Your Committee has amended this measure by:

- (1) Correcting the text of section 87A-40, Hawaii Revised Statutes, for consistency with the printed version and adjusting the draft to comport with accepted drafting conventions;
- (2) Making conforming amendments to section 88-95, Hawaii Revised Statutes;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2866, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2866, S.D. 2.

Respectfully submitted on behalf of the members of the Committee on Ways
and Means,

DONOVAN M. DELA CRUZ, Chair