STAND. COM. REP. NO. **2279**

Honolulu, Hawaii

FOB 17

, 2006

RE: S.B. No. 2272

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Labor, to which was referred S.B. No. 2272 entitled:

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

begs leave to report as follows:

The purpose of this measure is to require retired individuals who receive reimbursements from the Hawaii employer-union health benefits trust fund (EUTF) for Medicare part B premiums to designate an institution of their choice for direct deposit of reimbursements after July 1, 2006.

This measure also amends existing statutory language for purposes of clarity.

Testimony in support of this measure was submitted by the Department of Budget and Finance, the Hawaii EUTF, and the Hawaii State Teachers Association.

Your Committee finds that advancements in technology enable the EUTF to provide retired employee-beneficiaries and their spouses with the convenience and benefits of direct electronic deposit of Medicare part B reimbursements into the retired employee-beneficiaries' or spouses' bank accounts. Your Committee further finds that, currently, retired employee-beneficiaries benefit from the employees' retirement system's similar authority to pay benefits through direct deposits. Your Committee determines that requiring direct deposit for the reimbursement of Medicare part B premiums will result in reduced postage costs,

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reduced cost of handling paper checks, diminished potential for lost or stolen paper checks, and added convenience through the elimination of the physical deposit of paper checks.

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 S.B. No. 2272 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

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

BRIAN KANNO, Chair

The Senate Twenty-Third Legislature State of Hawaii

Record of Votes of the Committee on Labor (Bills and Resolutions)

Measure:* 5B 2272	Committee Referral: LBR, WAM Date: 2-1-06				
The committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is to:					
Pass, unamended (2312)	amendments 11)				
Members		Ayes	Ayes(WR)	Nays	Excused
KANNO, Brian (C)		V			
IHARA, Jr., Les (VC)					
TANIGUCHI, Brian T.					ν
SLOM, Sam		V			
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1884					
				and the	
TOTAL		3	0	0	1
Recommendation: Adopted			Not Adopted		
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

^{*}Do <u>not</u> list more than one measure per Record of Votes.