STAND. COM. REP. NO. 2801

Honolulu, Hawaii

MAR 0 4 2016

RE: S.B. No. 2428 S.D. 2

Honorable Ronald D. Kouchi President of the Senate Twenty-Eighth State Legislature Regular Session of 2016 State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2428, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEES,"

begs leave to report as follows:

The purpose and intent of this measure is to require the Employees' Retirement System to send a portion of a retiree's pension directly to the Employee-Union Health Benefits Trust Fund to pay the difference between what the public employer is obligated to pay and the actual cost of the health benefits plan for the retiree.

Specifically, this measure requires the Employees' Retirement System to fund the shortfall through withholdings of retirement benefit payment amounts, until the Hawaii Employer-Union Health Benefits Trust Fund authorizes the automatic electronic payment of those payment amounts, beginning after June 30, 2016.

Your Committee received written comments in support of this measure from three individuals.

Your Committee received written comments on this measure from the Employees' Retirement System and the Hawaii Employer-Union Health Benefits Trust Fund.

Your Committee finds that this measure will ensure that health benefit payment amounts are made in a timely manner and promote administrative efficiency.

SB2428 SD2 SSCR LRB 16-1669-1.doc

Your Committee has amended this measure by changing:

- (1) From June 30, 2016, to January 1, 2017, the earliest commencement date for the Hawaii Employer-Union Health Benefits Trust Fund authorization of automatic electronic payments in lieu of withholdings; and
- (2) The effective date of the measure from July 1, 2016, to July 1, 2076, to facilitate further discussion on the measure.

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. 2428, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2428, S.D. 2.

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

JILL N. TOKUDA, Chair

The Senate Twenty-Eighth Legislature State of Hawai'i

Record of Votes Committee on Ways and Means WAM

Bill / Resolution No.:*	Committee	Referral:	Da	te:	
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The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)		/,			
DELA CRUZ, Donovan M. (VC)					
CHUN OAKLAND, Suzanne					
ENGLISH, J. Kalani					
GALUTERIA, Brickwood					
HARIMOTO, Breene					
INOUYE, Lorraine R.		_/			
RIVIERE, Gil			·•·		
TANIGUCHI, Brian T.					
WAKAI, Glenn					
SLOM, Sam					
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TOTAL		9			8
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					