

Honolulu, Hawaii

FEB 10 2025

RE: S.B. No. 1359

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Labor and Technology, to which was referred
S.B. No. 1359 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to establish a
calculation for the Hawaii Employer-Union Health Benefits Trust
Fund (Fund) employer base composite monthly contribution so that
the contribution amount will be known to retirees during open
enrollment.

Specifically, this measure:

- (1) Effective January 1, 2026, establishes a 5.2 percent
rate increase for the employer base composite monthly
contribution; and
- (2) Effective January 1, 2027, establishes that the employer
base composite monthly contribution shall be based on
the change in Medicare Part B premiums from 2025 to 2026
and at a two-year lag thereafter.

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



Your Committee finds that modifications in the Fund's contribution system are needed to maintain the financial health of the Fund and best serve participants. The current calculation of the employer base composite monthly contribution relies on Medicare Part B premium amounts that may not be published until after the retiree open enrollment period. Accordingly, in some years, retirees are uncertain of their employer's contribution amounts when deciding to enroll in the program. Your Committee further finds that this measure addresses this issue by requiring the employer contribution amounts to be calculated based on Medicare Part B premium amounts published before open enrollment, thereby providing more certainty to retirees during open enrollment.

As affirmed by the record of votes of the members of your Committee on Labor and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1359 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

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


HENRY J.C. AQUINO, Chair



The Senate
 Thirty-Third Legislature
 State of Hawai'i

Record of Votes
Committee on Labor and Technology
LBT

Bill / Resolution No.:* SB1359	Committee Referral: LBT, NAM	Date: 1-31-25		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
AQUINO, Henry J.C. (C)	✗			
LEE, Chris (VC)	✗			
IHARA, Jr., Les	✗			
MORIWAKI, Sharon Y.	✗			
FEVELLA, Kurt				✗
TOTAL	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> 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				

*Only one measure per Record of Votes