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# A BILL FOR AN ACT

RELATING TO CAFETERIA PLANS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 SECTION 1. Section 78-30, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3 "(a) Each chief executive may establish a wage and salary  
4 reduction benefit program [~~which~~] that qualifies as a cafeteria  
5 plan within the meaning of section 125 of the Internal Revenue  
6 Code of 1986, as amended~~[-]~~; provided that the maximum salary  
7 reduction contribution and maximum carryover amount for any  
8 flexible spending account plan established pursuant to this  
9 section shall be set annually in accordance with the maximum  
10 amounts allowed under section 125 of the Internal Revenue Code,  
11 as it operates in the State under chapter 235. The cafeteria  
12 plan shall allow eligible employees to elect to reduce their  
13 pretax compensation in return for payment by the jurisdiction of  
14 the expenses of eligible benefits."

15 SECTION 2. Statutory material to be repealed is bracketed  
16 and stricken. New statutory material is underscored.



**1** SECTION 3. This Act shall take effect on July 1, 2027.



**Report Title:**

Cafeteria Plans; Wage and Salary Reduction Benefit Programs;  
Flexible Spending Accounts; Public Service; Maximum  
Contributions; Carryover Limits

**Description:**

Requires the maximum contribution and carryover amounts for a  
public service flexible spending account plan to be set annually  
in accordance with the maximum amounts allowed under section 125  
of the Internal Revenue Service Code. Effective 7/1/2027.  
(CD1)

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not legislation or evidence of legislative intent.*

