
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 qualifies as a cafeteria plan
5 within the meaning of section 125 of the Internal Revenue Code
6 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 prescribed by the Internal Revenue Service. The
11 cafeteria plan shall allow eligible employees to elect to reduce
12 their pretax compensation in return for payment by the
13 jurisdiction of the expenses of eligible benefits."

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 Statutory material to be repealed is bracketed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



1 SECTION 3. This Act shall take effect on July 1, 3000.



Report Title:

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

Description:

Specifies that the maximum contribution and carryover amounts
for a public service flexible spending account plan shall be set
in accordance with the annual limits prescribed by the Internal
Revenue Service for cafeteria plans. Effective 7/1/3000. (HD1)

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