
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 allowed under section 125 of the Internal Revenue Code,
11 as it operates in the State under chapter 235, Hawaii Revised
12 Statutes. The cafeteria plan shall allow eligible employees to
13 elect to reduce their pretax compensation in return for payment
14 by the jurisdiction of 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 Statutory material to be repealed is bracketed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, 3000.



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 7/1/3000.
(SD1)

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