

ACT 176

S.B. NO. 3175

A Bill for an Act Relating to Federal Social Security for Public Employees.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The state agency may modify the agreement entered into under section 88-212, Hawaii Revised Statutes (HRS), to extend the provisions of Title XVIII and sections 226 and 226A of Title II of the Social Security Act to employees of the Center for Cultural and Technical Interchange Between East and West, Inc. who are described in title 42, United States Code, section 418(n) with respect to services specified in the agreement which constitute "employment" as defined in section 88-211, Hawaii Revised Statutes.

SECTION 2. The Center for Cultural and Technical Interchange Between East and West, Inc. (Center), a Hawaii educational nonprofit public corporation, may submit for approval by the state agency a plan for extending the benefits of Title XVIII of the Social Security Act, in conformity with applicable provisions of the Social Security Act, to employees of the Center. Each plan and any amendment thereof shall be approved by the state agency if it finds that the plan, or the plan as amended, conforms with such requirements provided in regulations of the state agency, except that no plan shall be approved unless the plan:

- (1) Conforms with the requirements of the Social Security Act and with the agreement entered into under section 88-212, HRS;
- (2) Provides that all services that constitute employment as defined in section 88-211, HRS, and are performed in the employ of the Center by employees thereof, shall be covered by the plan, except that it may exclude services performed by individuals to whom section 218(c)(3) of the Social Security Act is applicable;
- (3) Specifies the source or sources from which the funds necessary to make the payments required by sections 88-221 and 88-223, HRS, are expected to be derived and contains reasonable assurance that the sources will be adequate for the purpose;
- (4) Provides for such methods of administration of the plan by the Center as are found by the state agency to be necessary for the proper and efficient administration of the plan;
- (5) Provides that the Center shall make such reports, in such form and containing such information, as the state agency may from time to time

- require, and comply with such provisions as the state agency or the Secretary of Health and Human Services may from time to time find necessary to assure the correctness and verification of the reports; and
- (6) Authorizes the state agency to terminate the plan in its entirety, in the discretion of the state agency, if it finds that there has been a failure to comply substantially with any provision contained in the plan, the termination to take effect at the expiration of the notice and on such conditions as may be provided by regulations of the state agency and may be consistent with the provisions of the Social Security Act.

SECTION 3. The Center for Cultural and Technical Interchange Between East and West, Inc., shall reimburse all appropriate agencies for costs incurred to implement this Act as it applies to the corporation.

SECTION 4. The definitions in section 88-211, Hawaii Revised Statutes, shall apply to this Act.

SECTION 5. Chapter 88, Part VI, HRS, is amended by substituting the phrase "Health and Human Services" or like terms, wherever the phrase "Health, Education, and Welfare", or like terms appear, as the context requires.

SECTION 6. This Act shall take effect on July 1, 2004.

(Approved July 7, 2004.)