

JAN 19 2007

A BILL FOR AN ACT

RELATING TO HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND.

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

1 SECTION 1. The legislature finds that the Hawaii employer-
2 union health benefits trust fund serves to provide employee-
3 beneficiaries and dependent-beneficiaries with health and other
4 benefit plans, and to pay administrative and other expenses of
5 the fund. The assets of the fund are dedicated to providing
6 health and other benefits plans, including health benefits, life
7 insurance, and cafeteria plans, to the employee-beneficiaries
8 and dependent-beneficiaries in accordance with the terms of
9 those plans.

10 The fund, including any earnings on investments, and rate
11 credits or reimbursements from any carrier or self-insured plan
12 and any earning or interest derived therefrom, may be used to
13 stabilize health and other benefit plan rates; provided that the
14 approval of the governor and the legislature shall be necessary
15 to fund administrative and other expenses necessary to
16 effectuate these purposes.

17 The fund may be used to provide group life insurance
18 benefits to employees to the extent that contributions are



1 provided for group life insurance benefits in sections 87A-32
2 and 87A-37.

3 The fund may assist the State and the counties to implement
4 and administer cafeteria plans authorized under title 26 United
5 States Code section 125, the Internal Revenue Code of 1986, as
6 amended, and part II of chapter 78.

7 At the discretion of the board of trustees, some or all of
8 the fund may be used as a reserve against or to pay the fund's
9 future costs of providing health and other benefit plans
10 established under sections 87A-23 and 87A-37 and any other
11 benefits plans the board of trustees establishes for retired
12 employees and their beneficiaries. The board of trustees may
13 create separate funds within the fund for this purpose.

14 The purpose of this Act is to mandate the board of trustees
15 of the Hawaii employer-union health benefits trust fund to
16 establish a separate health benefits plan for collective
17 bargaining unit 12.

18 SECTION 2. Section 87A-16, Hawaii Revised Statutes, is
19 amended to read as follows:

20 "[~~f~~]§87A-16[~~f~~] **Health benefits plan; carriers.** (a) The
21 board shall establish the health benefits plan or plans, which



1 shall be exempt from the minimum group requirements of chapter
2 431.

3 (b) The board may contract for health benefits plans or
4 provide health benefits through a noninsured schedule of
5 benefits.

6 (c) The board shall establish a health benefits plan for
7 collective bargaining unit 12, separately from health benefits
8 plans for all other employees."

9 SECTION 3. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 4. This Act shall take effect on July 1, 2007.

12

INTRODUCED BY: Gay L. Herz



Report Title:

Employer-Union Health Benefits Trust Fund; Police Health Benefits Plan

Description:

Requires the board of trustees of the Hawaii employer-union health benefits trust fund to establish separately health benefits plans for collective bargaining unit 12 (police officers).

