

## NOTICE OF PUBLIC HEARING

Pursuant to HRS chapter 91 and other applicable laws, notice is hereby given that the Department of Human Resources Development (DHRD) will hold a public hearing on Wednesday, July 22, 2015 at 10:00 a.m. in Room 1400, Director's Conference Room, 235 S. Beretania Street, Honolulu, HI. The hearing is being held to allow public comment on the following proposed amendments to Hawaii Administrative Rules (HAR) chapter 14-51, the State's Premium Conversion Plan (PCP), and HAR chapter 14-52, the State's Flexible Spending Accounts Plan (FSA):

1. Section 14-51-24(a) is amended to clarify that qualifying events that would allow mid-plan year cancellations or changes are not limited to those listed in this section since the qualifying events under the Internal Revenue Code (Code) are subject to change. The amendment also updates the section to include those qualifying events currently allowed under the Code and as they relate to the federal Affordable Care Act.
2. Section 14-52-2 is amended to add and define "Limited rollover" pursuant to IRS Notice 2013-71 that modified the "use it or lose it" rule for the medical expense reimbursement spending accounts.
3. Section 14-52-22(a) is amended to address the modified "use it or lose it" rule, whereby participants may rollover up to \$500 from one Plan year to the next.
4. Section 14-52-24(c) is amended by adding new language to clarify that participants who have limited rollover funds will continue to be considered a participant regardless of whether a new compensation reduction agreement was submitted.
5. Section 14-52-51(d) is amended to clarify that the maximum amount a participant may claim for in medical expenses also includes the amount of any limited rollover from the prior year.
6. Section 14-52-60(b) is amended to clarify that any balance remaining in their medical expense reimbursement spending account after ninety days following the Plan year that is in excess of the limited rollover amount shall be forfeited.

A copy of the complete set of proposed amendments can be downloaded from DHRD's website at <http://dhrd.hawaii.gov> or mailed to any interested person who writes to DHRD at the address below or calls (808) 587-1050. A copy may also be picked up or reviewed at the address below between 7:45 a.m. and 4:30 p.m.; Monday through Friday, except holidays.

All interested persons shall be afforded the opportunity to submit data, views, or arguments, orally or in writing, at the time of hearing. All persons wishing to submit written testimony are requested to submit 5 copies of their written testimony by Friday, July 17, 2015 to DHRD's Employee Assistance Office at the address printed below.

Any person who has special needs may request special accommodation by writing to DHRD at the address below or by calling (808) 587-1050 by July 14, 2015.

Send any written testimony and requests for the proposed amendments or accommodations, to: Department of Human Resources Development, Employee Assistance Office, 235 S. Beretania Street, Room 1004, Honolulu, HI 96813.

JAMES K. NISHIMOTO

Director, Department of Human Resources Development

6/19/15