



DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

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FOR IMMEDIATE RELEASE

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**STATE RECEIVES \$428, 864 FOR THE PREPAID HEALTH CARE PREMIUM
SUPPLEMENTATION FUND**

Eligible Small Employers are encouraged to apply for health care premium reimbursements

HONOLULU — Department of Labor and Industrial Relations (DLIR) has received \$428,864 in federal funds to help augment the Prepaid Health Care Premium Supplementation Trust Fund (PSF). The PSF allows eligible small employers to receive partial reimbursement for health care premiums that have been paid during a business year. Since 2011, the PSF has paid out over \$2 million.

On December 30, 2016, Hawaii was granted a waiver from the Patient Protection and Affordable Care Act requirement that a Small Business Health Options Program (SHOP) operate in the State and other related requirements relevant to SHOP exchanges. As a result, the federal Small Business Health Care Tax Credit previously available was terminated for plan years beginning after December 31, 2016. In place of the tax

credit, Hawaii will receive federal funds of approximately \$2.7 million for plan years beginning January 1, 2017 through December 31, 2021.

Section 393-45 of the Prepaid Health Care Act (PHC) details the requirements small employers must satisfy in order to qualify for a reimbursement. The requirements are as follows:

- The employer employs less than eight employees entitled to PHC coverage.
- The employer's health care plan is approved under Section 393-7(a) of the PHC Act.
- The employer's share of the premium cost for eligible employees (single coverage only) must exceed 1.5% of the total wages payable to such employees and the amount of the excess must be greater than 5% of the employer's income before taxes directly attributable to the business.
- In addition, the reimbursement is only for plan years beginning January 1, 2017.

For more information on how to apply and obtain a claim form (HC-6), please visit the DLIR website at:

<http://labor.hawaii.gov/dcd/frequently-asked-questions/phc/#premium>

For additional questions or information, please call (808) 586-9239 or email the PHC office at dlir.prepaidhealthcare@hawaii.gov

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