

# PREMIUM SUPPLEMENTATION FUND

July 2020

# Premium Supplementation Fund

- ▶ In December 2016 the State of Hawaii was awarded a federal grant in the amount of \$2.7 million for the period of January 1, 2017 through December 31, 2021.

# Premium Supplementation Fund

- ▶ A special fund for health care premium supplementation is available to employers who meet the criteria established under Section 393-45, HRS.
- ▶ Small employers, less than eight eligible employees, may receive partial reimbursement for health care premiums that have been paid during a business year.

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- ▶ To qualify an employer must satisfy all of the following requirements:
  - ▶ 1. The employer employs less than eight employees entitled to PHC coverage.
  - ▶ 2. The employer's health care plan is approved under Section 393-7(a) of the PHC Act.

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- ▶ 3. 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.

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- ▶ 4. Employer must be in business for profit and the request for supplementation must be filed within two years after the end of the employer's taxable year.

Submit completed form HC-6 Employer's Request for Premium Supplementation, with the following documents:

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- ▶ 1. Individual payroll records & quarterly payroll tax reports (Forms UC-B6 and 941)
- ▶ 2. Copy of State of Hawaii Income Tax Return for the business certified by the Department of Taxation
- ▶ 3. Copy of the U.S. Income Tax Return for the business

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- ▶ 4. W-2 forms
- ▶ 5. Health care contractor's monthly medical billing statements and health plan rate exhibits
- ▶ 6. Employee affidavit of hours worked
- ▶ 7. Additional records/documents may be requested when necessary



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For comments and/or additional information:

DCD Audit Section

(808) 586-9239

[dhir.prepaidhealthcare@hawaii.gov](mailto:dhir.prepaidhealthcare@hawaii.gov)

Forms, instructions, and a complete text of Chapter 393, HRS are found on our website at <http://labor.hawaii.gov/dcd>