
A BILL FOR AN ACT

RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS.

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

1 SECTION 1. Chapter 87D, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§87D- Insolvency of the trust. If a trust becomes
5 insolvent, the trust and the employee organization that
6 established the trust shall assume all liabilities and indemnify
7 the State."

8 SECTION 3. New statutory material is underscored.

9 SECTION 4. This Act shall take effect upon its approval.

Report Title:

VEBA Trusts; Trust Insolvency

Description:

Requires a voluntary employees' beneficiary association trust and the employee organization that established the trust, upon the insolvency of the trust, to assume all liabilities and indemnify the State. (SD1)