
A BILL FOR AN ACT

RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST
FUND.

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

1 SECTION 1. The purpose of this Act is to address the
2 Hawaii employer-union health benefits trust fund. More
3 specifically, this Act requires excess reserves and investment
4 and other earnings of the fund to be used to defray the
5 employers' contribution towards the cost of the health benefits
6 plan for retirees.

7 This Act takes effect on July 1, 2010, and sunsets on June
8 30, 2015.

9 SECTION 2. Section 87A-31, Hawaii Revised Statutes, is
10 amended as follows:

11 1. By amending subsection (b) to read:

12 "(b) The fund[~~, including any earnings on investments, and~~
13 ~~rate credits or reimbursements from any carrier or self-insured~~
14 ~~plan and any earning or interest derived therefrom,~~] may be used
15 to stabilize health and other benefit plan rates; provided that
16 the approval of the governor and the legislature shall be



1 necessary to fund administrative and other expenses necessary to
2 effectuate these purposes."

3 2. By amending subsection (e) to read:

4 "(e) [~~At the discretion of the board, some or all of the~~
5 ~~fund may]~~ All excess reserves and investment and other earnings
6 of the fund, except employer and employee contributions, shall
7 be used [~~as a reserve against or to pay the fund's future costs~~
8 ~~of providing]~~ to defray the employers' contribution for health
9 and other benefits plans established under sections 87A-23 and
10 87A-37 [~~and any other benefits plans the board establishes for~~
11 ~~retired employees and their beneficiaries.]; provided that a
12 portion of the earnings may be used to pay for the
13 administrative and expenses of the fund in accordance with
14 subsection (b). The board may create separate funds within the
15 fund for this purpose. Each separate fund shall be subject to
16 all of the provisions of this chapter."~~

17 SECTION 3. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 4. This Act shall take effect on July 1, 2010, and
20 shall be repealed on June 30, 2015; provided that section 87A-
21 31, Hawaii Revised Statutes, shall be reenacted on July 1, 2015,



H.B. NO. 2861

1 in the form in which it existed on the day before the effective
2 date of this Act.

3

INTRODUCED BY:

Calvin H. By

JAN 27 2010



Report Title:

Hawaii Employer-Union Health Benefits Trust Fund

Description:

Requires excess reserves and investment and other earnings of the Hawaii employer-union health benefits trust fund to be used to defray the employers' contribution towards the health benefits plan costs of retirees. Allows a portion of the earnings to be used for administrative and other expenses of the fund. Takes effect on 07/01/10 and sunsets on 06/30/15.

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