
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 require that
2 effective January 1, 2013, investment and other earnings and
3 reserves of the Hawaii employer-union health benefits trust fund
4 be maintained in the fund or re-invested to amortize the
5 unfunded actuarial accrued liability of the fund. This Act also
6 allows moneys in the fund to be used to pay the administrative
7 expenses of the fund.

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

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

11 "(b) [The] When authorized by legislative appropriation,
12 moneys in 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~~ pay the administrative ~~[and other]~~ expenses
2 ~~[necessary to effectuate these purposes.]~~ of the fund."

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 investment and other earnings, including rates
6 credits and reimbursements from insurers, and reserves of the
7 fund shall be ~~[used as a reserve against or to pay the fund's~~
8 ~~future costs of providing health and other benefits plans~~
9 ~~established under sections 87A-23 and 87A-37 and any other~~
10 ~~benefits plans the board establishes for retired employees and~~
11 ~~their beneficiaries.]~~ maintained in the fund or re-invested to
12 amortize the unfunded actuarial accrued liability of the fund;
13 provided that moneys in the fund may be used to pay for the
14 administrative expenses of the fund in accordance with
15 subsection (b). Upon the full amortization of the unfunded
16 actuarial accrued liability, the investments and other earnings
17 and reserves of the fund shall be used to pay the employer's
18 share of the normal cost of the health benefits plans of retired
19 employees.

20 The board may create separate funds within the fund for
21 this purpose. Each separate fund shall be subject to all of the
22 provisions of this chapter."



H.B. NO. 1802

1 SECTION 3. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect on January 1, 2013.

4

INTRODUCED BY:

Calvin K. Y. Say

JAN 13 2012



H.B. NO. 1802

Report Title:

Hawaii Employer-Union Health Benefits Trust Fund

Description:

Requires investment and other earnings and reserves of the Hawaii EUTF to be maintained in the fund or used to amortize the unfunded actuarial accrued liability of the fund. Allows fund moneys to be used for administrative expenses. Effective 1/1/13.

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