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# 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 find ways to  
2 improve the financial health of the Hawaii employer-union health  
3 benefits trust fund. More specifically, this Act requires the  
4 department of budget and finance to conduct a study to reform  
5 the trust fund in order to moderate costs and amortize the  
6 unfunded actuarial accrued liability.

7           SECTION 2. (a) The department of budget and finance shall  
8 conduct a study of the Hawaii employer-union health benefits  
9 trust fund in order to implement reforms that:

10           (1) Moderate the annual contributions of public employers  
11           for the health benefits of active and retired members  
12           while maintaining sufficient health benefits coverage  
13           for the active and retired members; and

14           (2) Amortize the unfunded actuarial accrued liability of  
15           the trust fund over thirty years from July 1, 2014.

16           (b) The department may conduct the study in-house or  
17 contract a third party to conduct the study.



1 (c) In conducting the study, the department or contractor,  
2 as applicable, shall consult with the board of trustees,  
3 administrator, and staff of the Hawaii employer-union health  
4 benefits trust fund and the exclusive representatives of  
5 employees.

6 SECTION 3. (a) The department of budget and finance shall  
7 submit the findings and recommendations of the study before the  
8 convening of the regular session of 2014 to the governor,  
9 legislature, and board of trustees of the Hawaii employer-union  
10 health benefits trust fund.

11 (b) If deemed necessary or desirable, the department may  
12 submit an interim report before the convening of the regular  
13 session of 2013 to the governor, legislature, and board of  
14 trustees of the Hawaii employer-union health benefits trust  
15 fund.

16 (c) The recommendations may include a proposal to  
17 restructure the board of trustees of the Hawaii employer-union  
18 health benefits trust fund or change the voting procedure.

19 SECTION 4. The department of budget and finance shall not  
20 include in the study any recommendation to diminish the health  
21 benefits or public employers' contributions for employees who  
22 retired from public service before July 1, 2014.



# H.B. NO. 2661

1           SECTION 5. The board of trustees and the administrator and  
2 staff of the Hawaii employer-union health benefits trust fund  
3 shall cooperate with the department of budget and finance and  
4 its contractor, if applicable, in its conduct of the study.

5           SECTION 6. There is appropriated out of the general  
6 revenues of the State of Hawaii the sum of \$100,000 or so much  
7 thereof as may be necessary for fiscal year 2012-2013 to conduct  
8 the study required by this Act.

9           The sum appropriated shall be expended by the department of  
10 budget and finance for the purposes of this Act.

11          SECTION 7. This Act shall take effect upon its approval;  
12 provided that section 6 shall take effect on July 1, 2012.

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INTRODUCED BY: Calvin K. Y. Bay

JAN 24 2012



# H.B. NO. 2661

**Report Title:**

Hawaii Employer-Union Health Benefits Trust Fund; Reform Study; Appropriation

**Description:**

Requires the department of budget and finance to conduct a study to reform the Hawaii employer-union health benefits trust fund. Requires the department to submit the study to the governor, legislature, and board of trustees of the trust fund before the convening of the 2014 regular session. Appropriates \$100,000 in FY 2012-13 for the study.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

