



GOV. MSG. NO. 1130

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

April 28, 2016

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Twenty-Eighth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Joseph M. Souki,
Speaker and Members of the
House of Representatives
Twenty-Eighth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Souki, and Members of the Legislature:

This is to inform you that on April 28, 2016, the following bill was signed into law:

SB2838 SD1

RELATING TO INVESTMENTS OF THE HAWAII
EMPLOYER-UNION HEALTH BENEFITS TRUST
FUND
ACT 030 (16)

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

A BILL FOR AN ACT

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

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

1 SECTION 1. The legislature finds that moneys held in trust
2 by the Hawaii employer-union health benefits trust fund for
3 other post-employment benefits will continue to grow as both
4 state and county employers make contributions to the fund to
5 prefund their other post-retirement benefit obligations as
6 employers. In light of what will be ongoing and large increases
7 in trust fund moneys, the legislature finds that allowing the
8 fund to invest in asset classes mirroring those of the
9 employees' retirement system will allow the fund to best manage
10 these trust fund moneys in order to maximize returns on
11 investments.

12 The purpose of this Act is to repeal certain restrictions
13 on the fund to invest in certain asset classes, thereby allowing
14 the fund to invest in asset classes mirroring those of the
15 employees' retirement system.

16 SECTION 2. Section 87A-24, Hawaii Revised Statutes, is
17 amended to read as follows:



- 1 "§87A-24 Other powers. In addition to the power to
2 administer the fund, the board may:
- 3 (1) Collect, receive, deposit, and withdraw money on
4 behalf of the fund;
- 5 (2) Invest moneys in the same manner specified in section
6 ~~[88-119(1)(A), (1)(B), (1)(C), (2), (3), (4), (5),~~
7 ~~(6), and (7);]~~ 88-119;
- 8 (3) Hold, purchase, sell, assign, transfer, or dispose of
9 any securities or other investments of the fund, as
10 well as the proceeds of those investments and any
11 money belonging to the fund;
- 12 (4) Appoint, and at pleasure dismiss, an administrator and
13 other fund staff. The administrator and staff shall
14 be exempt from chapter 76 and shall serve under and at
15 the pleasure of the board;
- 16 (5) Make payments of periodic charges and pay for
17 reasonable expenses incurred in carrying out the
18 purposes of the fund;
- 19 (6) Contract for the performance of financial audits of
20 the fund and claims audits of its insurance carriers;



- 1 (7) Retain auditors, actuaries, investment firms and
2 managers, benefit plan consultants, or other
3 professional advisors to carry out the purposes of
4 this chapter, including the retaining of an actuary to
5 determine the annual required public employer
6 contribution for the separate trust fund established
7 under section 87A-42;
- 8 (8) Establish health benefits plan and long-term care
9 benefits plan rates that include administrative and
10 other expenses necessary to effectuate the purposes of
11 the fund; and
- 12 (9) Require any department, agency, or employee of the
13 State or counties to furnish information to the board
14 to carry out the purposes of this chapter."

15 SECTION 3. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

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

APPROVED this 28 day of APR, 2016



GOVERNOR OF THE STATE OF HAWAII