
A BILL FOR AN ACT

RELATING TO PUBLIC EMPLOYEES' FRINGE BENEFITS.

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

1 SECTION 1. The purpose of this Act is to address public
2 employees' fringe benefits.

3 More specifically, this Act:

4 (1) Expressly requires by statute the actuary of the
5 Hawaii employer-union health benefits trust fund to
6 prepare an experience study at least once every three
7 years and a valuation report annually; and

8 (2) Reduces the maximum period between experience studies
9 of the public employees' retirement system from five
10 years to three years. The legislature notes that
11 section 88-105, Hawaii Revised Statutes, presently
12 requires annual valuation reports for the system.

13 The legislature finds that the State's and counties'
14 liabilities and obligations for the pension and health insurance
15 coverage of public employees are of major concern. State and
16 county contributions as employers for the normal cost and
17 unfunded liability amortization of the public employees'



1 retirement system and Hawaii employer-union health benefits
2 trust fund are increasing. The legislature finds that more
3 frequent monitoring of the experience and valuations of the
4 retirement system and trust fund is necessary to properly plan
5 future state and county budgetary needs.

6 SECTION 2. Chapter 87A, Hawaii Revised Statutes, is
7 amended by adding a new section to part III to be appropriately
8 designated and to read as follows:

9 "§87A- Actuarial investigation, valuations. (a) At
10 least once in each three-year period commencing with fiscal year
11 2016-2017, the actuary for the fund shall:

12 (1) Make an actuarial investigation of the experience of
13 the fund; and

14 (2) Recommend, for the actuarial valuation of the fund,
15 the adoption of mortality, service, and other
16 assumptions, factors, and tables as deemed appropriate
17 and necessary by the actuary.

18 The actuary shall further recommend the acceptable funded
19 ratio for the fund.

20 (b) Beginning on July 1, 2017, the actuary shall make an
21 annual valuation of the assets and liabilities of the fund for



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1 the prior fiscal year, based on such tables and other factors as
2 the board has adopted."

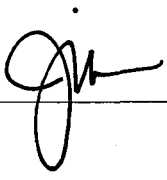
3 SECTION 3. Section 88-105, Hawaii Revised Statutes, is
4 amended by amending subsection (a) to read as follows:

5 "(a) At least once in each [~~five-year~~] three-year period,
6 commencing with fiscal year [~~1994-1995,~~] 2018-2019, the actuary
7 shall make an actuarial investigation of the experience of the
8 system and shall recommend to the board of trustees the adoption
9 for actuarial valuation of the system of mortality, service, and
10 other assumptions, factors, and tables as shall be deemed
11 appropriate and necessary. The actuary shall further recommend
12 the acceptable funded ratio for the system, taking into
13 consideration the guaranties of article XVI, section 2 of the
14 state constitution, section 88-107, and section 88-127."

15 SECTION 4. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 5. This Act shall take effect on July 1, 2017.

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INTRODUCED BY:  _____



S.B. NO. 133

Report Title:

ERS; EUTF; Experience Studies; Valuation Reports

Description:

Requires the Hawaii employer-union health benefits trust fund's actuary to prepare an experience study once every three years and a valuation report annually. Reduces the maximum period between experience studies of the public employees' retirement system from five years to three years.

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