

JAN 25 2023

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 legislature finds that salaries for
2 executive personnel in the private sector far outpace that of
3 state employment, making attracting and retaining quality
4 managers difficult. This Act will allow the board of trustees
5 of the Hawaii employer-union health benefits trust fund to
6 establish salaries for the trust fund administrator and chief
7 investment officer that are commensurate with the private
8 sector. This amendment is modeled after the statutory wording
9 in section 88-29, Hawaii Revised Statutes, which provides the
10 board of trustees of the employees' retirement system the
11 similar powers.

12 The purpose of this Act is to enable the board of trustees
13 of the Hawaii employer-union health benefits trust fund to
14 recruit and retain the most qualified individuals to administer
15 the day-to-day activities of the trust fund by allowing the
16 board to establish appropriate salaries for upper-management
17 personnel.

S.B. NO. 1313

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

3 "§87A-24 Other powers. In addition to the power to
4 administer the fund, the board may:

5 (1) Collect, receive, deposit, and withdraw money on
6 behalf of the fund;

7 (2) Invest moneys in the same manner specified in section
8 88-119;

9 (3) Hold, purchase, sell, assign, transfer, or dispose of
10 any securities or other investments of the fund, as
11 well as the proceeds of those investments and any
12 money belonging to the fund;

13 (4) Appoint, and at pleasure dismiss, an administrator and
14 other fund staff. The administrator shall be exempt
15 from chapter 76. Other fund staff may be exempt from
16 chapter 76 as determined by the board. The
17 administrator and staff who are exempt from chapter 76
18 shall serve under and at the pleasure of the board;
19 provided that civil service exempt positions under
20 this section that are created after July 1, 2014,
21 shall be exempt from section 76-16(b)(17)(A) [+] and
22 provided further that the salaries of the

1 administrator and chief investment officer shall be
2 set by the board;

3 (5) Make payments of periodic charges and pay for
4 reasonable expenses incurred in carrying out the
5 purposes of the fund;

6 (6) Contract for the performance of financial audits of
7 the fund and claims audits of its insurance carriers;

8 (7) Retain auditors, actuaries, investment firms and
9 managers, benefit plan consultants, or other
10 professional advisors to carry out the purposes of
11 this chapter;

12 (8) Establish health benefits plan and long-term care
13 benefits plan rates that include administrative and
14 other expenses necessary to effectuate the purposes of
15 the fund; and

16 (9) Require any department, agency, or employee of the
17 State or counties to furnish information to the board
18 to carry out the purposes of this chapter."

19 SECTION 3. New statutory material is underscored.

20 SECTION 4. This Act, upon its approval, shall take effect
21 on June 29, 2023; provided that the amendments made to
22 section 87A-24, Hawaii Revised Statutes, by section 2 of this
23 Act shall not be repealed when that section is reenacted on

S.B. NO. 1313

1 June 30, 2023, pursuant to section 9 of Act 229, Session Laws of
2 Hawaii, 2021.

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4

INTRODUCED BY: 

5

BY REQUEST

S.B. NO. 1313

Report Title:

Hawaii Employer-Union Health Benefits Trust Fund; Salary Determination

Description:

Enables the board of trustees of the Hawaii Employer-Union Health Benefits Trust Fund to establish appropriate salaries for the administrator and chief investment officer of the trust fund.

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

JUSTIFICATION SHEET

SB. NO. 1313

DEPARTMENT: Budget and Finance

TITLE: A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND.

PURPOSE: To allow the board of trustees of the Hawaii Employer-Union Health Benefits Trust Fund to establish salaries for the administrator and the chief investment officer that are commensurate with the private sector.

MEANS: Amend section 87A-24, Hawaii Revised Statutes (HRS).

JUSTIFICATION: Salaries for executive personnel in the private sector far outpace that of state employment, making attracting and retaining quality managers difficult. Allowing the board of trustees of the Hawaii Employer-Union Health Benefits Trust Fund to establish appropriate salaries for upper-management personnel will enable the board to recruit and retain the most qualified individuals to administer the day-to-day activities of the fund.

Impact on the public: None.

Impact on the department and other agencies: None.

GENERAL FUND: Indeterminate cost increases.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: None.

OTHER AFFECTED AGENCIES: None.

EFFECTIVE DATE: Upon approval.