

ACT 38

S.B. NO. 1313

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:

SECTION 1. The legislature finds that salaries for executive personnel in the private sector far outpace that of state employment, making attracting and retaining quality managers difficult. The legislature further finds that, in order for the board of trustees of the Hawaii employer-union health benefits trust fund to recruit and retain the most qualified individuals to administer the day-to-day activities of the trust fund, the board should be allowed to establish appropriate salaries for upper management personnel.

Accordingly, the purpose of this Act is to allow the board of trustees of the Hawaii employer-union health benefits trust fund to establish salaries for the trust fund administrator and chief investment officer that are commensurate with the private sector. This amendment is modeled after the statutory wording in section 88-29, Hawaii Revised Statutes, which provides the board of trustees of the employees' retirement system similar powers.

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

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

- (1) Collect, receive, deposit, and withdraw money on behalf of the fund;
- (2) Invest moneys in the same manner specified in section 88-119;

- (3) Hold, purchase, sell, assign, transfer, or dispose of any securities or other investments of the fund, as well as the proceeds of those investments and any money belonging to the fund;
- (4) Appoint, and at pleasure dismiss, an administrator and other fund staff. The administrator shall be exempt from chapter 76. Other fund staff may be exempt from chapter 76 as determined by the board. The administrator and staff who are exempt from chapter 76 shall serve under and at the pleasure of the board; provided that civil service exempt positions under this section that are created after July 1, 2014, shall be exempt from section 76-16(b)(17)(A); provided further that the salaries of the administrator and chief investment officer shall be set by the board;
- (5) Make payments of periodic charges and pay for reasonable expenses incurred in carrying out the purposes of the fund;
- (6) Contract for the performance of financial audits of the fund and claims audits of its insurance carriers;
- (7) Retain auditors, actuaries, investment firms and managers, benefit plan consultants, or other professional advisors to carry out the purposes of this chapter;
- (8) Establish health benefits plan and long-term care benefits plan rates that include administrative and other expenses necessary to effectuate the purposes of the fund; and
- (9) Require any department, agency, or employee of the State or counties to furnish information to the board to carry out the purposes of this chapter.”

SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval; provided that the amendments made to section 87A-24, Hawaii Revised Statutes, by section 2 of this Act shall not be repealed when that section is reenacted on June 30, 2023, pursuant to section 9 of Act 229, Session Laws of Hawaii 2021.

(Approved June 1, 2023.)