



HOUSE COMMITTEE ON JUDICIARY
Relating to Compensation of Trustees
Friday, January 30, 2015, 2 p.m.
State Capitol, Conference Room 325

To: The Honorable Karl Rhoads, Chair
The Honorable Joy A. San Buenaventura, Vice Chair
Members of Judiciary Committee

My name is Bonnie Fong and I am the Senior Vice President and Manager of the Personal Trust Department of Bank of Hawaii testifying in support of HB26.

HB 26 amends 607-18 (Compensation of Trustees) and corrects several important clerical errors that were included in the version of the law enacted last year.

The bill, as amended, allows for more clearly defined implementation and helps ensure individual co-trustees are appropriately compensated.

- The current bill requires both current as well as remainder beneficiaries to be notified of trust business, including fee changes. We support the change to allow only “current” beneficiaries to be notified.
- There was ambiguity in how individual co-trustees’ compensation was to be shared. The proposed changes clarify this ambiguity.
- Existing language required the Trustee to pay fees as income was received which would be difficult to implement. The revised language conforms to a method of payment for the trustees annual fees of “no more than once per quarter.”
- The proposed amendments eliminate a formula that would require adjusting ranges that would be difficult to implement in practice.

We appreciate the opportunity to testify and ask for your support of HB 26.

Respectfully submitted,

Bonnie Fong (694-4403)