
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. The legislature further finds that, in
5 order for the board of trustees of the Hawaii employer-union
6 health benefits trust fund to recruit and retain the most
7 qualified individuals to administer the day-to-day activities of
8 the trust fund, the board should be allowed to establish
9 appropriate salaries for upper management personnel.

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



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); provided



- 1 further that the salaries of the administrator and
2 chief investment officer shall be 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 shall take effect upon its approval;
21 provided that the amendments made to section 87A-24, Hawaii



1 Revised Statutes, by section 2 of this Act shall not be repealed
2 when that section is reenacted on June 30, 2023, pursuant to
3 section 9 of Act 229, Session Laws of Hawaii 2021.



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. (CD1)

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