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## 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.

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

H.B. NO. 1015

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

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INTRODUCED BY: 

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BY REQUEST

**JAN 23 2023**

**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

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.