

S.B. NO. 3095

JAN 28 2026

A BILL FOR AN ACT

RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND INVESTMENT OFFICE STAFF SALARIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that salaries for
2 investment professionals in the private sector far outpace those
3 offered in state employment, making it difficult to attract and
4 retain qualified investment staff. The legislature further
5 finds that, in order for the board of trustees of the Hawaii
6 employer-union health benefits trust fund to effectively recruit
7 and retain the most capable individuals to invest and manage its
8 \$9,500,000,000 investment portfolio, the board should be allowed
9 to establish appropriate salaries for the trust fund's
10 investment office staff.

11 Accordingly, the purpose of this Act is to authorize the
12 board of trustees of the Hawaii employer-union health benefits
13 trust fund to establish salaries for the trust fund investment
14 office personnel that are commensurate with the private sector,
15 consistent with section 88-29.5, Hawaii Revised Statutes, which
16 provides the board of trustees of the employees' retirement
17 system with similar powers.

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

3 **"S87A-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
22 further that the salaries of the administrator [and],

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1 chief investment officer, investment officers, and
2 investment analysts 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, including the retaining of an actuary to
12 determine the annual required public employer
13 contribution for the separate trust fund established
14 under section 87A-42;

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

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

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1 SECTION 3. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect upon its approval.

4

5 INTRODUCED BY: Ram. M.

6 BY REQUEST

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Report Title:

Hawaii Employer-Union Health Benefits Trust Fund; Investment Office Staff Salary Determination

Description:

Enables the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund to establish appropriate salaries for the investment office staff 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 INVESTMENT OFFICE STAFF SALARIES.

PURPOSE: To allow the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund (Board) to establish salaries for the Trust Fund's investment office staff to recruit and retain qualified investment professionals.

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

JUSTIFICATION: Salaries for investment professionals in the private sector far outpace those offered in state employment, making it difficult to attract and retain qualified investment staff. This bill allows the Board to establish competitive salaries for its investment office staff to recruit and retain highly capable individuals to invest and manage its \$9.5 billion portfolio. Section 88-29.5, HRS, provides the Board of Trustees of Employees' Retirement System similar authority to establish salaries for its investment staff.

Impact on the public: None.

Impact on the department and other agencies: The bill would allow the Trust Fund to attract and retain qualified investment professionals.

GENERAL FUND: Indeterminate cost increases.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: None.

OTHER AFFECTED
AGENCIES: None.

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EFFECTIVE DATE: Upon approval.