
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, for the board of trustees of the Hawaii employer-
6 union health benefits trust fund to effectively recruit and
7 retain the most capable individuals to invest and manage its
8 \$9.5 trillion 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



1 provides the board of trustees of the employees' retirement
2 system with similar powers.

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

5 "~~§87A-24~~ **Other powers.** In addition to the power to
6 administer the fund, the board may:

- 7 (1) Collect, receive, deposit, and withdraw money on
8 behalf of the fund;
- 9 (2) Invest moneys in the same manner specified in section
10 88-119;
- 11 (3) Hold, purchase, sell, assign, transfer, or dispose of
12 any securities or other investments of the fund, as
13 well as the proceeds of those investments and any
14 money belonging to the fund;
- 15 (4) Appoint, and at pleasure dismiss, an administrator and
16 other fund staff. The administrator shall be exempt
17 from chapter 76. Other fund staff may be exempt from
18 chapter 76 as determined by the board. The
19 administrator and staff who are exempt from chapter 76
20 shall serve under and at the pleasure of the board;
21 provided that civil service exempt positions under



- 1 this section that are created after July 1, 2014,
2 shall be exempt from section 76-16(b)(17)(A); provided
3 further that the salaries of the administrator [~~and~~],
4 chief investment officer, investment officers, and
5 investment analysts shall be set by the board;
- 6 (5) Make payments of periodic charges and pay for
7 reasonable expenses incurred in carrying out the
8 purposes of the fund;
- 9 (6) Contract for the performance of financial audits of
10 the fund and claims audits of its insurance carriers;
- 11 (7) Retain auditors, actuaries, investment firms and
12 managers, benefit plan consultants, or other
13 professional advisors to carry out the purposes of
14 this chapter, including the retaining of an actuary to
15 determine the annual required public employer
16 contribution for the separate trust fund established
17 under section 87A-42;
- 18 (8) Establish health benefits plan and long-term care
19 benefits plan rates that include administrative and
20 other expenses necessary to effectuate the purposes of
21 the fund; and



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

4 SECTION 3. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 4. This Act shall take effect on January 1, 2077.



S.B. NO. 3095
S.D. 1

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 officers and investment analysts of the Trust
Fund. Effective 1/1/2077. (SD1)

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