

**ACT 30**

S.B. NO. 2838

A Bill for an Act Relating to Investments of the Hawaii Employer-Union Health Benefits Trust Fund.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that moneys held in trust by the Hawaii employer-union health benefits trust fund for other post-employment benefits will continue to grow as both state and county employers make contributions to the fund to prefund their other post-retirement benefit obligations as employers. In light of what will be ongoing and large increases in trust fund moneys, the legislature finds that allowing the fund to invest in asset classes mirroring those

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of the employees' retirement system will allow the fund to best manage these trust fund moneys in order to maximize returns on investments.

The purpose of this Act is to repeal certain restrictions on the fund to invest in certain asset classes, thereby allowing the fund to invest in asset classes mirroring those of the employees' retirement system.

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

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

- (1) Collect, receive, deposit, and withdraw money on behalf of the fund;
- (2) Invest moneys in the same manner specified in section [~~88-119(1)(A), (1)(B), (1)(C), (2), (3), (4), (5), (6), and (7);~~] 88-119;
- (3) Hold, purchase, sell, assign, transfer, or dispose of any securities or other investments of the fund, as well as the proceeds of those investments and any money belonging to the fund;
- (4) Appoint, and at pleasure dismiss, an administrator and other fund staff. The administrator and staff shall be exempt from chapter 76 and shall serve under and at the pleasure of the board;
- (5) Make payments of periodic charges and pay for reasonable expenses incurred in carrying out the purposes of the fund;
- (6) Contract for the performance of financial audits of the fund and claims audits of its insurance carriers;
- (7) Retain auditors, actuaries, investment firms and managers, benefit plan consultants, or other professional advisors to carry out the purposes of this chapter, including the retaining of an actuary to determine the annual required public employer contribution for the separate trust fund established under section 87A-42;
- (8) Establish health benefits plan and long-term care benefits plan rates that include administrative and other expenses necessary to effectuate the purposes of the fund; and
- (9) Require any department, agency, or employee of the State or counties to furnish information to the board to carry out the purposes of this chapter.”

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

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

(Approved April 28, 2016.)