

STAND. COM. REP. NO.

2119

Honolulu, Hawaii

FEB 11 2016

RE: S.B. No. 2838

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred
S.B. No. 2838 entitled:

"A BILL FOR AN ACT RELATING TO INVESTMENTS OF THE HAWAII
EMPLOYER-UNION HEALTH BENEFITS TRUST FUND,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize the
Hawaii Employer-Union Health Benefits Trust Fund to invest in the
same asset classes as the Employees' Retirement System.

Your Committee received testimony in support of this measure
from the Hawaii Employer-Union Health Benefits Trust Fund and
Hawaii Government Employees Association, AFSCME Local 152, AFL-
CIO.

Your Committee finds that the Other Post-Employment Benefits
Trust Fund ("OPEB Trust Fund") was established to receive employer
contributions to prefund retirees' post-employment health and
benefit plan costs. The OPEB Trust Fund, required to be
prefunded, has increased from \$314,800,000 on June 30, 2013, to
\$1,000,000,000 on December 31, 2015, and is expected to increase
to \$7,400,000,000 within the next ten years. Implementation of
this measure will allow the Hawaii Employer-Union Health Benefits
Trust Fund Board of Trustees to take advantage of investment
opportunities in certain types of assets in order to maximize
returns on investments.

As affirmed by the record of votes of the members of your
Committee on Judiciary and Labor that is attached to this report,

2016-0985 SSCR SMA.doc



your Committee is in accord with the intent and purpose of S.B. No. 2838 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,



GILBERT S.C. KEITH-AGARAN, Chair



