

STAND. COM. REP. NO.

2879

Honolulu, Hawaii

MAR 21 2012

RE: H.B. No. 2491  
H.D. 1

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred  
H.B. No. 2491, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO 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 create a trust  
fund for the purpose of receiving employer contributions that will  
prefund post-employment health and other benefit plan costs for  
retirees and their beneficiaries.

Your Committee received testimony in support of this measure  
from the Department of Budget and Finance, Hawaii Employer-Union  
Health Benefits Trust Fund and Chairperson of the Kauai County  
Council.

Your Committee finds that an audit of the Hawaii employer-  
union health benefits trust fund concluded that the trust fund  
does not have a separate trust fund that meets the requirements of  
the Government Accounting Standards Board regarding other post-  
employment benefits trusts. Specifically, an other post-  
employment benefits trust must have the specific criteria of  
irrevocability of contributions, dedication of plan assets to  
paying benefits in accordance with the plan, and legal protection  
of the plan assets from creditors. Currently, several counties  
have made pre-funded contributions toward other post-employment  
benefits, but are unable to receive credit for the contributions

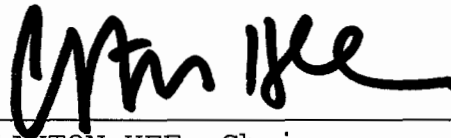
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because of the lack of an established trust fund that meets the Government Accounting Standards Board requirements for other post-employment benefits plans. As such, this measure is intended to provide the means through which these types of contributions may be made and properly accounted for.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2491, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

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



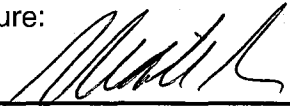
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CLAYTON HEE, Chair



The Senate  
 Twenty-Sixth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Judiciary and Labor**  
**JDL**

Bill / Resolution No.:* <b>HB 2491, HD1</b>	Committee Referral: <b>JDL, WAM</b>	Date: <b>3/14/12</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	✓			
SHIMABUKURO, Maile (VC)	✓			
GABBARD, Mike	✓			
IHARA, Jr., Les				✓
SLOM, Sam	✓			
<b>TOTAL</b>	<b>4</b>			<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution:             Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes