



Hawaii Employer-Union Health Benefits Trust Fund State of Hawaii

Schedule of Changes in Fiduciary Net Position by Employer
(With Independent Auditors' Report Thereon)

June 30, 2018 and 2017

Submitted by
**THE AUDITOR
STATE OF HAWAII**

**HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
STATE OF HAWAII**

Schedule of Changes in Fiduciary Net Position by Employer

June 30, 2018 and 2017

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Independent Auditors' Report

The Auditor
State of Hawaii:

Board of Trustees
Hawaii Employer-Union Health Benefits Trust Fund
State of Hawaii:

We have audited the fiduciary net position as of June 30, 2018 and 2017, and the changes in fiduciary net position for the year ended June 30, 2018, included in the accompanying schedule of changes in fiduciary net position by employer (the Schedule) of the Hawaii Employer-Union Health Benefits Trust Fund of the State of Hawaii (the EUTF), and the related notes. We have also audited the fiduciary net position of each individual employer as of June 30, 2018 and 2017, and the changes in fiduciary net position of each individual employer for the year ended June 30, 2018, included in the accompany Schedule.

Management's Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of the Schedule in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the fiduciary net position and the changes in fiduciary net position included in the Schedule based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the fiduciary net position and the changes in fiduciary net position included in the Schedule are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the fiduciary net position and the changes in fiduciary net position included in the Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the fiduciary net position and the changes in fiduciary net position included in the Schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the fiduciary net position and the changes in fiduciary net position included in the Schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Schedule referred to above presents fairly, in all material respects, the fiduciary net position of the EUTF as of June 30, 2018 and 2017, and the changes in fiduciary net position for the year ended June 30, 2018, in accordance with accounting principles generally accepted in the United States of America. Also, in our opinion, the Schedule referred to above presents fairly, in all material respects, the fiduciary net position of each individual employer as of June 30, 2018 and 2017, and the changes in fiduciary net position of each individual employer for the year ended June 30, 2018, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the EUTF as of and for the years ended June 30, 2017 and 2016, and our report thereon, dated December 15, 2017, expressed unmodified opinions on those financial statements.

Restriction on Use

This report is intended solely for the information and use of the Auditor, State of Hawaii, the management and Board of Trustees of the EUTF, and participating employers and their auditors, and is not intended to be and should not be used by anyone other than these specified parties.

KKDL Y LLC

Honolulu, Hawaii
October 26, 2018

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Schedule of Changes in Fiduciary Net Position by Employer

As of June 30, 2018 and 2017 and for the Year Ended June 30, 2018

Employer	Changes in Fiduciary Net Position for the Year Ended June 30, 2018						Net Position Restricted for OPEB	
	Employer Contributions	Net Investment Income	Benefits Paid	Administrative Expenses	Other	Net Increase	June 30, 2017	June 30, 2018
State of Hawaii	\$ 659,271,064	\$ 66,007,236	\$ (331,521,564)	\$ (169,043)	\$ 5,300,394	\$ 398,888,087	\$ 480,628,502	\$ 879,516,589
City and County of Honolulu	125,017,441	30,906,998	(76,220,441)	(71,728)	1,146,634	80,778,904	291,892,315	372,671,219
Honolulu Authority for Rapid Transportation	283,359	34,795	-	(89)	2,641	320,706	320,366	641,072
County of Hawaii	28,549,987	10,380,705	(17,054,987)	(23,228)	266,457	22,118,934	104,201,680	126,320,614
County of Maui	31,888,815	17,298,733	(15,716,815)	(39,167)	254,535	33,686,101	171,504,145	205,190,246
County of Kauai	15,847,977	8,310,839	(8,079,087)	(18,934)	126,295	16,187,090	82,186,118	98,373,208
Department of Water, County of Kauai	1,287,000	654,929	(368,000)	(1,485)	8,474	1,580,918	6,468,430	8,049,348
Board of Water Supply, City and County of Honolulu	11,724,727	6,029,726	(5,724,727)	(13,794)	78,200	12,094,132	59,573,594	71,667,726
Department of Water Supply, County of Hawaii	1,867,788	1,245,946	(953,288)	(2,782)	16,370	2,174,034	13,069,793	15,243,827
	<u>\$ 875,738,158</u>	<u>\$ 140,869,907</u>	<u>\$ (455,638,909)</u>	<u>\$ (340,250)</u>	<u>\$ 7,200,000</u>	<u>\$ 567,828,906</u>	<u>\$ 1,209,844,943</u>	<u>\$ 1,777,673,849</u>

See accompanying notes to schedule of changes in fiduciary net position by employer.

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Notes to Schedule of Changes in Fiduciary Net Position by Employer

June 30, 2018 and 2017

(1) General Information About the EUTF

Plan Description

Chapter 87A of the Hawaii Revised Statutes (HRS) established the Hawaii Employer-Union Health Benefits Trust Fund (the Trust Fund). The Trust Fund was established to design, provide, and administer health and other benefit plans for the State of Hawaii (the State) and the counties of Honolulu, Hawaii, Maui, and Kauai employees, retirees and their eligible dependents beginning July 1, 2003. Chapter 87, HRS that established the Hawaii Public Employees Health Fund (the Health Fund) was repealed and the net assets of the Health Fund were transferred to the Trust Fund.

The Trust Fund is administered by a Board of Trustees (the Board) composed of ten trustees appointed by the Governor of the State. The Board is responsible for determining the nature and scope of benefit plans offered by the Trust Fund, negotiating and entering into contracts with insurance carriers, establishing eligibility and management policies for the Trust Fund, and overseeing all Trust Fund activities. The Board relies on professional services provided by a salaried Administrator, the State Department of the Attorney General, a benefits consultant, and an investment consultant.

Chapter 87A, HRS was amended on July 9, 2012 to allow the Board to establish a separate trust fund for the purpose of receiving employer contributions that will pre-fund other post-employment benefits (OPEB) for retirees and their beneficiaries. Pursuant to this amendment, the Board executed an irrevocable declaration of trust establishing the Hawaii Employer-Union Health Benefits Trust Fund for Other Post-Employment Benefits (the OPEB Trust) effective June 30, 2013. The OPEB Trust is governed by the Board of the Trust Fund. Its assets are held for the exclusive purpose of providing other post-employment benefits and are legally protected from creditors. The OPEB Trust and the Trust Fund described above are collectively referred to as the EUTF.

The EUTF, an agent multiple-employer defined benefit OPEB plan, is administratively attached to the State Department of Budget and Finance.

Benefits Provided

The EUTF currently provides medical, prescription drug, dental, vision, chiropractic, supplemental medical and prescription drug, and group life insurance benefits. The medical plans include a statewide preferred provider organization (PPO) benefit plan and a federally-qualified health maintenance organization (HMO) plan.

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Notes to Schedule of Changes in Fiduciary Net Position by Employer

June 30, 2018 and 2017

Employees Covered by Benefit Terms

At June 30, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	47,127
Inactive employees entitled to but not yet receiving benefit payments	9,672
Active employees	<u>65,670</u>
	<u><u>122,469</u></u>

Contributions

The employers' share of benefit plan contributions for collectively bargained employees are negotiated by the State and counties with the exclusive representative of each employee bargaining unit. Employer contributions for retirees are prescribed by Chapter 87A, HRS. Any remaining premium balance is paid by employees through payroll deductions or premium conversion plan reductions and paid by retirees directly, if applicable.

The State's and counties' contributions also include the employees' share made through payroll deductions, contributions for retired employees, and Medicare Part B reimbursements made by the Trust Fund to eligible retired employees and their spouses for Medicare Part B insurance premiums.

(2) Summary of Significant Accounting Policies

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the EUTF, and additions to/deductions from the EUTF's fiduciary net position have been determined on the same basis as they are reported by the EUTF. For this purpose, the EUTF recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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(3) Basis of Presentation

The accompanying schedule of changes in fiduciary net position by employer (the Schedule) presents amounts that are considered elements of the financial statements of the EUTF or its participating employers. Accordingly, they do not purport to be a complete presentation of the fiduciary net position or changes in fiduciary net position of the EUTF or its participating employers. The amounts presented in the Schedule were prepared in accordance with accounting principles generally accepted in the United States of America. Such preparation requires management of the EUTF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

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(4) Net OPEB Liability

The net OPEB liability was measured as of July 1, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Methods and Assumptions

The total OPEB liability in the actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age normal
Discount rate	7.00%
Inflation	2.50%
Salary increases	3.50% to 7.00%, including inflation
Investment rate of return	7.00%, net of investment expenses, including inflation
Demographic assumptions	Based on the experience study covering the five year period ended June 30, 2015, as conducted for the Employees' Retirement System of the State of Hawaii (ERS)
Mortality	System-specific mortality tables utilizing scale BB to project generational mortality improvement
Participation rates	98% healthcare participation assumption for retirees that receive 100% of the Base Monthly Contribution (BMC). Healthcare participation rates of 25%, 65%, and 90% for retirees that receive 0%, 50%, or 75% of the BMC, respectively. 100% for life insurance and 98% for Medicare Part B
Healthcare cost trend rates:	
PPO*	Initial rates of 6.60%, 6.60%, and 9.00%; declining to a rate of 4.86% after 14 years
HMO*	Initial rate of 9.00%; declining to a rate of 4.86% after 14 years
Part B & BMC	Initial rates of 2.00% and 5.00%; declining to a rate of 4.70% after 14 years
Dental	3.50%
Vision	2.50%
Life insurance	0.00%

* Blended rates for medical and prescription drug.

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Long-Term Expected Rate of Return

The long-term expected rate of return on the EUTF's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of the EUTF's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity	19.00%	5.50%
International equity	19.00%	7.00%
U.S. microcap	7.00%	7.00%
Private equity	10.00%	9.25%
REITs	6.00%	5.85%
Core real estate	10.00%	3.80%
Global options	7.00%	5.50%
Core bonds	3.00%	0.55%
Long treasuries	7.00%	1.90%
Trend following	7.00%	1.75%
TIPS	5.00%	0.50%
	100.00%	

Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on the EUTF's investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

A single discount rate of 7.00% was used to measure the total OPEB liability. This discount rate was based on the expected rate of return on the EUTF's investments of 7.00%. Beginning with the fiscal year 2019 contribution, the funding policy of the State of Hawaii is to pay the recommended actuarially determined contribution, which is based on layered, closed amortization periods. As a

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result, the EUTF's fiduciary net position is expected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the EUTF's investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Total OPEB Liability at June 30, 2017

An actuarial valuation was not performed as of July 1, 2016. Therefore, the actuarial valuation as of July 1, 2017 was rolled back to July 1, 2016 to develop the total OPEB liability as of June 30, 2017, which is presented in Table 1, *Summary of Net OPEB Liability by Employer*. Since the total OPEB liability as of June 30, 2017 was developed using the same assumptions as used in the July 1, 2017 actuarial valuation, there are no differences between the actual and expected experience or changes in assumptions for the year ended June 30, 2018.

(5) Changes in the Net OPEB Liability

The components of the net OPEB liability (total OPEB liability less plan fiduciary net position) as of June 30, 2018 and 2017 for each participating employer are presented in Table 1, *Summary of Net OPEB Liability by Employer*.

The total OPEB liability as of June 30, 2018 and 2017, and the changes in total OPEB liability for the year ended June 30, 2018 for each participating employer are presented in Table 2, *Summary of Changes in Total OPEB Liability by Employer*.

The total fiduciary net position as of June 30, 2018 and 2017, and the changes in plan fiduciary net position for the year ended June 30, 2018 for each participating employer are presented in the accompanying Schedule.

The net OPEB liability was measured as of July 1, 2017. Accordingly, participating employers will report their respective plan fiduciary net position as of June 30, 2018 and 2017 (as presented in Table 1), and their respective changes in fiduciary net position for the year ended June 30, 2018 (as presented in the Schedule), based upon information contained in the EUTF's audited financial statements as of June 30, 2017 and 2016, and for the year ended June 30, 2017, respectively.

(6) Sensitivity of Net OPEB Liability to Changes in Discount Rate and Healthcare Cost Trend Rates

Table 3, *Sensitivity of Net OPEB Liability to Changes in Discount Rate and Healthcare Cost Trend Rates by Employer*, presents the net OPEB liability as of June 30, 2018 for each participating employer, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current discount rate.

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June 30, 2018 and 2017

Table 3 also presents the net OPEB liability as of June 30, 2018 for each participating employer, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates.

(7) EUTF's Fiduciary Net Position

Detailed information about the EUTF's fiduciary net position is available in the separately issued EUTF financial statements.

(8) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The OPEB expense to be recognized by each participating employer for the year ended June 30, 2018 is presented in Table 4, *Summary of OPEB Expense by Employer*.

Deferred outflows of resources and deferred inflows of resources by source at June 30, 2018 for each participating employer are presented in Table 5, *Summary of Deferred Outflows and Inflows Related to OPEB by Employer*.

Deferred outflows of resources related to OPEB at June 30, 2018, resulting from employer contributions subsequent to the measurement date (refer to Table 5), will be recognized by each participating employer as a reduction of the OPEB liability in the year ending June 30, 2019.

The net OPEB liability was measured as of July 1, 2017. Accordingly, participating employers will report their respective deferred outflows of resources as of June 30, 2018 (as presented in Table 5) based upon employer contributions made by each participating employer during the year ended June 30, 2018.

The amounts reported as deferred inflows of resources related to OPEB at June 30, 2018, resulting from the net difference between projected and actual earnings on investments (refer to Table 5), will be recognized in OPEB expense by each participating employer as presented in Table 6, *Deferred Inflows to be Recognized in Future OPEB Expense by Employer*.

(9) Employer Contributions

Table 7, *Summary of Actuarially Determined and Actual Contributions by Employer*, presents the actuarially determined contributions for the year ended June 30, 2018, based upon an actuarial valuation as of July 1, 2015, as well as the actual contributions made during the year ended June 30, 2018, and the contribution deficiency, which is the difference between the actuarially determined contributions and the actual contributions made.

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Notes to Schedule of Changes in Fiduciary Net Position by Employer

June 30, 2018 and 2017

The actuarially determined contributions for the year ended June 30, 2018 was determined using the following actuarial methods and assumptions:

Actuarial Methods and Assumptions

Actuarial cost method	Entry age normal
Discount rate	7.00%
Inflation	3.00%
Amortization method (A)	Level percent, closed
Equivalent single amortization period (B)	19.9 to 27.0 as of June 30, 2018
Payroll growth	3.50%
Salary increases	4.00% to 19.00%; including inflation
Demographic assumptions	Based on the experience study covering the five year period ended June 30, 2010 as conducted for the ERS
Mortality	System-specific mortality tables
Participation rates	98% healthcare participation assumption for retirees that receive 100% of the Base Monthly Contribution (BMC). Healthcare participation rates of 25%, 65%, and 90% for retirees that receive 0%, 50%, or 75% of the BMC, respectively. 100% for life insurance and 98% for Medicare Part B

Healthcare cost trend rates:

PPO (C)	Initial rate of 9.00%, declining to a rate of 5.00% after 8 years
HMO (C)	Initial rate of 7.00%, declining to a rate of 5.00% after 8 years
Part B	Initial rate of 3.00% for the first two years, 5.00% afterwards
Dental	4.00%
Vision	3.00%
Life insurance	0.00%

(A) Closed bases are established at each valuation for new unfunded liabilities

(B) Department of Water, County of Kauai, Board of Water Supply, City and County of Honolulu, and Department of Water Supply, County of Hawaii (19.9); County of Kauai (20.2); City and County of Honolulu (20.7); County of Maui (20.8); County of Hawaii (21.0); Honolulu Authority for Rapid Transit (26.4); and State of Hawaii (27.0)

(C) Blended rates for medical and prescription drug

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Summary of Net OPEB Liability by Employer

June 30, 2018 and 2017

Employer	June 30, 2018			June 30, 2017		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
State of Hawaii	\$ 10,194,186,536	\$ 879,516,589	\$ 9,314,669,947	\$ 9,634,349,550	\$ 480,628,502	\$ 9,153,721,048
City and County of Honolulu	2,241,999,132	372,671,219	1,869,327,913	2,126,652,687	291,892,315	1,834,760,372
Honolulu Authority for Rapid Transportation	6,203,402	641,072	5,562,330	5,365,967	320,366	5,045,601
County of Hawaii	517,774,914	126,320,614	391,454,300	489,025,992	104,201,680	384,824,312
County of Maui	522,749,266	205,190,246	317,559,020	492,101,851	171,504,145	320,597,706
County of Kauai	245,406,850	98,373,208	147,033,642	231,727,595	82,186,118	149,541,477
Department of Water, County of Kauai	16,417,246	8,049,348	8,367,898	15,331,541	6,468,430	8,863,111
Board of Water Supply, City and County of Honolulu	146,389,649	71,667,726	74,721,923	140,024,777	59,573,594	80,451,183
Department of Water Supply, County of Hawaii	32,509,555	15,243,827	17,265,728	30,639,939	13,069,793	17,570,146
	<u>\$ 13,923,636,550</u>	<u>\$ 1,777,673,849</u>	<u>\$ 12,145,962,701</u>	<u>\$ 13,165,219,899</u>	<u>\$ 1,209,844,943</u>	<u>\$ 11,955,374,956</u>

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Summary of Changes in Total OPEB Liability by Employer

As of June 30, 2018 and 2017 and for the Year Ended June 30, 2018

Employer	Year Ended June 30, 2018				Balance June 30, 2018
	Balance June 30, 2017	Service Cost	Interest on Total OPEB Liability	Benefits Paid	
State of Hawaii	\$ 9,634,349,550	\$ 220,828,344	\$ 670,530,206	\$ (331,521,564)	\$ 10,194,186,536
City and County of Honolulu	2,126,652,687	43,834,699	147,732,187	(76,220,441)	2,241,999,132
Honolulu Authority for Rapid Transportation	5,365,967	446,200	391,235	-	6,203,402
County of Hawaii	489,025,992	11,757,502	34,046,407	(17,054,987)	517,774,914
County of Maui	492,101,851	12,045,593	34,318,637	(15,716,815)	522,749,266
County of Kauai	231,727,595	5,623,361	16,134,981	(8,079,087)	245,406,850
Department of Water, County of Kauai	15,331,541	380,075	1,073,630	(368,000)	16,417,246
Board of Water Supply, City and County of Honolulu	140,024,777	2,404,087	9,685,512	(5,724,727)	146,389,649
Department of Water Supply, County of Hawaii	30,639,939	687,414	2,135,490	(953,288)	32,509,555
	<u>\$ 13,165,219,899</u>	<u>\$ 298,007,275</u>	<u>\$ 916,048,285</u>	<u>\$ (455,638,909)</u>	<u>\$ 13,923,636,550</u>

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Sensitivity of Net OPEB Liability to Changes in Discount Rate and Healthcare Cost Trend Rates by Employer

June 30, 2018

Employer	Changes in Discount Rate			Changes in Healthcare Cost Trend Rates		
	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
State of Hawaii	\$ 10,932,465,648	\$ 9,314,669,947	\$ 8,005,537,219	\$ 7,930,158,432	\$ 9,314,669,947	\$ 11,062,079,176
City and County of Honolulu	2,224,041,575	1,869,327,913	1,583,058,839	1,569,628,043	1,869,327,913	2,246,353,320
Honolulu Authority for Rapid Transportation	6,878,753	5,562,330	4,549,812	4,490,565	5,562,330	6,962,344
County of Hawaii	476,738,728	391,454,300	322,982,683	319,201,428	391,454,300	483,074,420
County of Maui	405,287,364	317,559,020	247,205,693	243,051,722	317,559,020	412,241,527
County of Kauai	187,203,859	147,033,642	114,739,809	113,001,911	147,033,642	190,104,503
Department of Water, County of Kauai	11,073,323	8,367,898	6,176,735	6,031,341	8,367,898	11,320,142
Board of Water Supply, City and County of Honolulu	96,608,229	74,721,923	56,878,627	56,208,713	74,721,923	97,787,751
Department of Water Supply, County of Hawaii	22,400,212	17,265,728	13,078,475	12,783,340	17,265,728	22,896,636
	<u>\$ 14,362,697,691</u>	<u>\$ 12,145,962,701</u>	<u>\$ 10,354,207,892</u>	<u>\$ 10,254,555,495</u>	<u>\$ 12,145,962,701</u>	<u>\$ 14,532,819,819</u>

Table 4

**HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
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Summary of OPEB Expense by Employer

For the Year Ended June 30, 2018

<u>Employer</u>	
State of Hawaii	\$ 836,789,892
City and County of Honolulu	166,568,197
Honolulu Authority for Rapid Transportation	801,978
County of Hawaii	37,320,574
County of Maui	32,626,037
County of Kauai	15,165,856
Department of Water, County of Kauai	927,570
Board of Water Supply, City and County of Honolulu	7,313,323
Department of Water Supply, County of Hawaii	<u>1,802,232</u>
	<u><u>\$ 1,099,315,659</u></u>

Table 5

**HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
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Summary of Deferred Outflows and Inflows Related to OPEB by Employer

June 30, 2018

Employer	Deferred Outflows - Contributions Subsequent to Measurement Date	Deferred Inflows - Net Difference Between Projected and Actual Earnings on Investments
State of Hawaii	\$ 682,605,116	\$ 16,569,929
City and County of Honolulu	143,665,163	6,983,215
Honolulu Authority for Rapid Transportation	386,000	1,890
County of Hawaii	32,829,013	2,140,599
County of Maui	33,968,244	3,775,908
County of Kauai	16,213,031	1,825,714
Department of Water, County of Kauai	423,000	135,783
Board of Water Supply, City and County of Honolulu	8,855,338	1,317,856
Department of Water Supply, County of Hawaii	1,936,548	238,862
	<u>\$ 920,881,453</u>	<u>\$ 32,989,756</u>

**HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
STATE OF HAWAII**

Deferred Inflows to be Recognized in Future OPEB Expense by Employer

June 30, 2018

Employer	Year Ended June 30:				Total
	2019	2020	2021	2022	
State of Hawaii	\$ 4,142,482	\$ 4,142,482	\$ 4,142,482	\$ 4,142,483	\$ 16,569,929
City and County of Honolulu	1,745,804	1,745,804	1,745,804	1,745,803	6,983,215
Honolulu Authority for Rapid Transportation	472	472	472	474	1,890
County of Hawaii	535,150	535,150	535,150	535,149	2,140,599
County of Maui	943,977	943,977	943,977	943,977	3,775,908
County of Kauai	456,428	456,428	456,428	456,430	1,825,714
Department of Water, County of Kauai	33,946	33,946	33,946	33,945	135,783
Board of Water Supply, City and County of Honolulu	329,464	329,464	329,464	329,464	1,317,856
Department of Water Supply, County of Hawaii	59,715	59,715	59,715	59,717	238,862
	<u>\$ 8,247,438</u>	<u>\$ 8,247,438</u>	<u>\$ 8,247,438</u>	<u>\$ 8,247,442</u>	<u>\$ 32,989,756</u>

Table 7

**HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
STATE OF HAWAII**

Summary of Actuarially Determined and Actual Contributions by Employer

For the Year Ended June 30, 2018

Employer	Actuarially Determined Contributions	Actual Contributions	Contributions Deficiency / (Excess)
State of Hawaii	\$ 770,297,000	\$ 682,605,116	\$ 87,691,884
City and County of Honolulu	166,876,000	143,665,163	23,210,837
Honolulu Authority for Rapid Transportation	594,000	386,000	208,000
County of Hawaii	37,748,000	32,829,013	4,918,987
County of Maui	32,891,000	33,968,244	(1,077,244)
County of Kauai	16,272,000	16,213,031	58,969
Department of Water, County of Kauai	1,002,000	423,000	579,000
Board of Water Supply, City and County of Honolulu	8,467,000	8,855,338	(388,338)
Department of Water Supply, County of Hawaii	1,933,000	1,936,548	(3,548)
	<u>\$ 1,036,080,000</u>	<u>\$ 920,881,453</u>	<u>\$ 115,198,547</u>