



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, 2024 and 2023

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, 2024 and 2023

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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:

Opinion

We have audited the fiduciary net position as of June 30, 2024 and 2023, and the changes in fiduciary net position for the year ended June 30, 2024, 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, 2024 and 2023, and the changes in fiduciary net position of each individual employer for the year ended June 30, 2024, included in the accompanying Schedule.

In our opinion, the accompanying Schedule presents fairly, in all material respects, the fiduciary net position of the EUTF as of June 30, 2024 and 2023, and the changes in fiduciary net position for the year ended June 30, 2024, in accordance with accounting principles generally accepted in the United States of America. Also, in our opinion, the accompanying Schedule presents fairly, in all material respects, the fiduciary net position of each individual employer as of June 30, 2024 and 2023, and the changes in fiduciary net position of each individual employer for the year ended June 30, 2024, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Schedule* section of our report. We are required to be independent of the EUTF and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the Schedule, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the EUTF's ability to continue as a going concern within one year after the date that the Schedule is available to be issued.

Auditors' Responsibilities for the Audit of the Schedule

Our objectives are 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, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of this Schedule.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Schedule.
- Obtain an understanding of internal control relevant to the audit 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 EUTF's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the EUTF's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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, 2023 and 2022, and our reports thereon, dated November 29, 2023 and December 7, 2022, respectively, expressed unmodified opinions on those financial statements.

Restriction on Use

Our report is intended solely for the information and use of the Auditor, State of Hawaii, the Board of Trustees and management 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.

KADLY LLC

Honolulu, Hawaii
September 20, 2024

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

Schedule of Changes in Fiduciary Net Position by Employer

As of June 30, 2024 and 2023 and for the Year Ended June 30, 2024

Employer	Changes in Fiduciary Net Position for the Year Ended June 30, 2024						Fiduciary Net Position	
	Employer Contributions	Net Investment Income	Benefits Paid	Administrative Expenses	Other	Net Increase	June 30, 2023	June 30, 2024
State of Hawaii	\$ 839,445,000	\$ 183,748,923	\$ (420,772,164)	\$ (259,870)	\$ 758,809	\$ 602,920,698	\$ 4,060,123,965	\$ 4,663,044,663
City and County of Honolulu	188,090,000	54,214,830	(97,813,326)	(74,902)	413,130	144,829,732	1,121,183,488	1,266,013,220
Honolulu Authority for Rapid Transportation	793,000	234,531	(238,466)	(326)	2,313	791,052	4,758,791	5,549,843
County of Hawaii	42,910,000	14,379,907	(22,097,136)	(20,275)	186,461	35,358,957	302,925,573	338,284,530
County of Maui	41,344,000	20,647,219	(22,158,770)	(31,122)	133,408	39,934,735	433,445,641	473,380,376
County of Kauai	17,294,000	9,394,935	(10,681,640)	(13,586)	47,317	16,041,026	202,507,888	218,548,914
Department of Water, County of Kauai	1,058,000	688,478	(649,372)	(993)	10,559	1,106,672	14,794,926	15,901,598
Board of Water Supply, City and County of Honolulu	8,180,000	5,475,062	(6,755,471)	(7,948)	(36,810)	6,854,833	119,041,409	125,896,242
Department of Water Supply, County of Hawaii	1,961,000	1,256,996	(1,315,507)	(1,817)	2,807	1,903,479	27,088,020	28,991,499
	<u>\$ 1,141,075,000</u>	<u>\$ 290,040,881</u>	<u>\$ (582,481,852)</u>	<u>\$ (410,839)</u>	<u>\$ 1,517,994</u>	<u>\$ 849,741,184</u>	<u>\$ 6,285,869,701</u>	<u>\$ 7,135,610,885</u>

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

**HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
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Notes to Schedule of Changes in Fiduciary Net Position by Employer

June 30, 2024 and 2023

(1) General Information About the EUTF

Plan Description

Chapter 87A, 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 county (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 10 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.

Act 268, Session Laws of Hawaii 2013 (Act 268), further amended Chapter 87A, HRS (codified as Chapter 87A-42). Effective July 1, 2018, annual employer contributions for retirees and their beneficiaries are equal to the amount of the annual required contribution as determined by an actuary and placed into the OPEB Trust. Accordingly, all employer contributions for retirees and their beneficiaries are required to be placed in the OPEB Trust effective July 1, 2018.

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, chiropractic, dental, vision, 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, 2024 and 2023

Employees Covered by Benefit Terms

At June 30, 2023, the following employees were covered by the benefit terms:

Active employees	64,066
Inactive employees or beneficiaries currently receiving benefit payments	53,667
Inactive employees entitled to but not yet receiving benefit payments	<u>8,967</u>
	<u><u>126,700</u></u>

Employer Contributions

Employer contributions for retirees and their beneficiaries are prescribed by the HRS and are equal to the amount of the annual required contribution as determined by an actuary and placed into the OPEB Trust. The annual required contribution is defined as the employer's contribution that is sufficient to cover (1) the normal cost, which is the cost of other post-employment benefits attributable to the current year of service, and (2) an amortization payment, which is a catch-up payment for past service costs to fund the unfunded actuarial accrued liability over 30 years.

(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. Employer contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment purchases and sales are recorded on a trade-date basis. Administrative expenses are financed exclusively by investment income.

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Notes to Schedule of Changes in Fiduciary Net Position by Employer

June 30, 2024 and 2023

(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.

(4) Net OPEB Liability

The net OPEB liability was measured as of July 1, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

**HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
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Notes to Schedule of Changes in Fiduciary Net Position by Employer

June 30, 2024 and 2023

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	3.75% to 6.75%, including inflation
Demographic assumptions	Based on the 2022 Hawaii ERS Actuarial Experience Study, as conducted June 30, 2021 for the Employees' Retirement System of the State of Hawaii (the ERS)
Mortality	System-specific mortality tables utilizing ultimate scale MP2021 to project generational mortality improvement.
Participation rates	98% healthcare participation assumption for retirees that receive 100% of the Base Monthly Contribution (the 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 rate of 6.30%, declining to a rate of 4.25% after 21 years
HMO**	Initial rate of 6.30%, declining to a rate of 4.25% after 21 years
Part B & BMC	Initial rate of 5.00%, declining to a rate of 4.25% after 21 years
Dental	4.00%
Vision	2.50%
Life insurance	0.00%

* Blended rates for medical and prescription drug.

** Includes prescription drug assumptions.

There were no assumption changes during the current measurement period.

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Notes to Schedule of Changes in Fiduciary Net Position by Employer

June 30, 2024 and 2023

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 asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	27.50%	7.60%
Private Equity	15.00%	10.00%
Real Assets	12.00%	4.30%
Private Credit	10.00%	7.80%
Trend Following	10.00%	2.40%
Long Treasuries	5.50%	2.40%
TIPS	5.00%	2.00%
Reinsurance	5.00%	3.40%
Alternative Risk Premia	5.00%	3.30%
US Microcap	3.00%	8.70%
Tail Risk/ Long Volatility	2.00%	-1.10%
Global Options	0.00%	4.90%
Total	<u>100.00%</u>	

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).

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Notes to Schedule of Changes in Fiduciary Net Position by Employer

June 30, 2024 and 2023

A single discount rate of 7.00% was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on the EUTF's investments of 7.00% and the municipal bond rate of 3.86% (based on the daily rate closest to but not later than the measurement date of the Fidelity 20-year Municipal GO AA Index). Beginning with the FYE19 contribution, the funding policy of the State of Hawaii and the counties is to pay the recommended actuarially determined contribution, which is based on layered, closed amortization periods. As a result, the EUTF's fiduciary net position is still 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.

(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, 2024 and 2023 for each participating employer are presented in Table 1, *Summary of Net OPEB Liability by Employer*.

The total OPEB liability as of June 30, 2024 and 2023, and the changes in total OPEB liability for the year ended June 30, 2024 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, 2024 and 2023, and the changes in fiduciary net position for the year ended June 30, 2024 for each participating employer are presented in the accompanying Schedule.

The net OPEB liability was measured as of July 1, 2023 and 2022. Accordingly, participating employers will report their respective plan fiduciary net position as of June 30, 2024 and 2023 (as presented in Table 1), and their respective changes in fiduciary net position for the year ended June 30, 2024 (as presented in the Schedule), based upon information contained in the EUTF's audited financial statements as of June 30, 2023 and 2022, and for the year ended June 30, 2023, 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, 2024 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 (6.0%) or 1-percentage-point higher (8.0%) than the current discount rate.

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Notes to Schedule of Changes in Fiduciary Net Position by Employer

June 30, 2024 and 2023

Table 3 also presents the net OPEB liability as of June 30, 2024 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, 2024 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, 2024 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, 2024, 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, 2025.

The net OPEB liability was measured as of July 1, 2023. Accordingly, participating employers will report their respective deferred outflows of resources as of June 30, 2024 (as presented in Table 5) based upon employer contributions made by each participating employer during the year ended June 30, 2024.

The amounts reported as deferred outflows of resources related to OPEB at June 30, 2024, resulting from the net difference between projected and actual earnings on investments, the difference between expected and actual experience, and the changes in assumptions, and the amounts reported as deferred inflows of resources related to OPEB at June 30, 2024, resulting from the difference between expected and actual experience and the changes in assumptions (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*.

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June 30, 2024 and 2023

(9) Employer Contributions

Table 7, *Summary of Actuarially Determined and Actual Contributions by Employer*, presents the actuarially determined contributions for the years ended June 30, 2024 and 2023, based upon actuarial valuations as of July 1, 2021 and 2020, respectively, for all participating employers. Table 7 also presents the actual contributions made during the years ended June 30, 2024 and 2023, and the contribution deficiency (excess), which is the difference between the actuarially determined contributions and the actual contributions made.

The actuarially determined contributions for the year ended June 30, 2024 was determined using the following actuarial methods and assumptions:

Actuarial Methods and Assumptions

Actuarial cost method	Individual entry age normal
Discount rate	7.00%
Inflation	2.50%
Amortization method	Level percent. Closed bases are established at each valuation for new unfunded liabilities.
Equivalent single amortization period (A)	13.9 to 21.3 as of fiscal year ending June 30, 2024
Asset valuation method	4-year smoothed market
Payroll growth	3.50%
Salary increases	3.50% to 7.00%, including inflation
Demographic assumptions	Based on the experience study covering the five year period ending June 30, 2018 as conducted for the 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 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

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Notes to Schedule of Changes in Fiduciary Net Position by Employer

June 30, 2024 and 2023

Healthcare cost trend rates:

PPO (B)	Initial rate of 7.25%, declining to an ultimate rate of 4.70% after 12 years
HMO (B)	Initial rate of 7.25%, declining to an ultimate rate of 4.70% after 12 years
Part B	Initial rate of 5.00%, declining to an ultimate rate of 4.70% after 9 years
Dental	4.00%
Vision	2.50%
Life insurance	0.00%

(A) Board of Water Supply, City and County of Honolulu (14.0); Department of Water Supply, County of Hawaii (13.9); Department of Water, County of Kauai (14.3); County of Kauai (14.0); City and County of Honolulu (15.0); County of Maui (14.5); County of Hawaii (15.4); State of Hawaii (21.0); and Honolulu Authority for Rapid Transportation (21.3)

(B) Includes prescription drug assumptions

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Summary of Net OPEB Liability by Employer

June 30, 2024 and 2023

Employer	June 30, 2024			June 30, 2023		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
State of Hawaii	\$ 11,390,406,535	\$ 4,663,044,663	\$ 6,727,361,872	\$ 10,908,073,664	\$ 4,060,123,965	\$ 6,847,949,699
City and County of Honolulu	2,471,737,171	1,266,013,220	1,205,723,951	2,365,893,579	1,121,183,488	1,244,710,091
Honolulu Authority for Rapid Transportation	7,459,242	5,549,843	1,909,399	6,998,492	4,758,791	2,239,701
County of Hawaii	599,685,925	338,284,530	261,401,395	571,101,431	302,925,573	268,175,858
County of Maui	608,261,356	473,380,376	134,880,980	577,215,493	433,445,641	143,769,852
County of Kauai	288,970,041	218,548,914	70,421,127	273,812,579	202,507,888	71,304,691
Department of Water, County of Kauai	19,551,741	15,901,598	3,650,143	18,530,589	14,794,926	3,735,663
Board of Water Supply, City and County of Honolulu	154,622,118	125,896,242	28,725,876	149,928,478	119,041,409	30,887,069
Department of Water Supply, County of Hawaii	35,832,843	28,991,499	6,841,344	34,900,490	27,088,020	7,812,470
	<u>\$ 15,576,526,972</u>	<u>\$ 7,135,610,885</u>	<u>\$ 8,440,916,087</u>	<u>\$ 14,906,454,795</u>	<u>\$ 6,285,869,701</u>	<u>\$ 8,620,585,094</u>

**HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
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Summary of Changes in Total OPEB Liability by Employer

As of June 30, 2024 and 2023 and for the Year Ended June 30, 2024

Employer	Balance June 30, 2023	Service Cost	Interest on Total OPEB Liability	Year Ended June 30, 2024			Balance June 30, 2024
				Difference Between Expected and Actual Experience	Benefits Paid		
State of Hawaii	\$ 10,908,073,664	\$ 220,965,246	\$ 756,571,914	\$ (74,432,125)	\$ (420,772,164)	\$ 11,390,406,535	
City and County of Honolulu	2,365,893,579	43,186,048	163,700,596	(3,229,726)	(97,813,326)	2,471,737,171	
Honolulu Authority for Rapid Transportation	6,998,492	169,785	487,491	41,940	(238,466)	7,459,242	
County of Hawaii	571,101,431	12,129,999	39,628,250	(1,076,619)	(22,097,136)	599,685,925	
County of Maui	577,215,493	11,778,440	40,041,773	1,384,420	(22,158,770)	608,261,356	
County of Kauai	273,812,579	5,695,897	18,992,380	1,150,825	(10,681,640)	288,970,041	
Department of Water, County of Kauai	18,530,589	364,655	1,287,176	18,693	(649,372)	19,551,741	
Board of Water Supply, City and County of Honolulu	149,928,478	2,404,066	10,342,694	(1,297,649)	(6,755,471)	154,622,118	
Department of Water Supply, County of Hawaii	34,900,490	669,524	2,420,425	(842,089)	(1,315,507)	35,832,843	
	<u>\$ 14,906,454,795</u>	<u>\$ 297,363,660</u>	<u>\$ 1,033,472,699</u>	<u>\$ (78,282,330)</u>	<u>\$ (582,481,852)</u>	<u>\$ 15,576,526,972</u>	

**HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
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Sensitivity of Net OPEB Liability to Changes in Discount Rate and Healthcare Cost Trend Rates by Employer

June 30, 2024

Employer	Changes in Discount Rate			Changes in Healthcare Cost Trend Rates		
	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)	Current Healthcare Cost Trend Rates		
				1% Decrease	1% Increase	1% Increase
State of Hawaii	\$ 8,412,447,294	\$ 6,727,361,872	\$ 5,382,377,334	\$ 5,223,113,176	\$ 6,727,361,872	\$ 8,652,747,721
City and County of Honolulu	1,569,603,766	1,205,723,951	916,649,656	886,506,039	1,205,723,951	1,613,507,217
Honolulu Authority for Rapid Transportation	3,131,901	1,909,399	953,852	890,987	1,909,399	3,208,935
County of Hawaii	353,103,780	261,401,395	188,625,251	180,331,224	261,401,395	365,543,306
County of Maui	228,806,483	134,880,980	60,336,314	52,124,690	134,880,980	240,984,742
County of Kauai	114,129,926	70,421,127	35,832,315	31,992,669	70,421,127	119,832,546
Department of Water, County of Kauai	6,601,631	3,650,143	1,300,872	1,038,878	3,650,143	6,998,737
Board of Water Supply, City and County of Honolulu	50,248,191	28,725,876	11,513,772	9,728,147	28,725,876	52,893,298
Department of Water Supply, County of Hawaii	12,005,010	6,841,344	2,691,931	2,167,831	6,841,344	12,789,732
	<u>\$ 10,750,077,982</u>	<u>\$ 8,440,916,087</u>	<u>\$ 6,600,281,297</u>	<u>\$ 6,387,893,641</u>	<u>\$ 8,440,916,087</u>	<u>\$ 11,068,506,234</u>

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

Summary of OPEB Expense by Employer

For the Year Ended June 30, 2024

<u>Employer</u>	
State of Hawaii	\$ 279,522,586
City and County of Honolulu	41,695,217
Honolulu Authority for Rapid Transportation	(803,662)
County of Hawaii	14,392,089
County of Maui	4,559,487
County of Kauai	3,227,043
Department of Water, County of Kauai	124,167
Board of Water Supply, City and County of Honolulu	(1,367,653)
Department of Water Supply, County of Hawaii	(134,386)
	<u>\$ 341,214,888</u>

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

Summary of Deferred Outflows and Inflows Related to OPEB by Employer

June 30, 2024

Employer	Deferred Outflows				Deferred Inflows			
	Contributions Subsequent to the Measurement Date	Net Difference Between Projected and Actual Earnings on Investments	Difference Between Expected and Actual Experience	Changes in Assumptions	Total Deferred Outflows	Difference Between Expected and Actual Experience	Changes in Assumptions	Total Deferred Inflows
State of Hawaii	\$ 821,984,000	\$ 153,258,024	\$ -	\$ 11,230,925	\$ 986,472,949	\$ 1,198,727,706	\$ 204,651,026	\$ 1,403,378,732
City and County of Honolulu	190,911,000	31,813,811	-	2,341,358	225,066,169	240,998,272	39,252,675	280,250,947
Honolulu Authority for Rapid Transportation	437,000	139,441	30,433	-	606,874	318,767	19,189	337,956
County of Hawaii	44,136,000	7,174,292	2,532,342	1,462,898	55,305,532	65,541,436	11,735,812	77,277,248
County of Maui	58,627,767	8,451,126	2,186,518	1,744,451	71,009,862	61,973,431	11,745,891	73,719,322
County of Kauai	17,553,000	4,295,489	1,892,902	561,601	24,302,992	28,617,227	5,742,024	34,359,251
Department of Water, County of Kauai	1,074,000	309,946	25,182	58,845	1,467,973	1,829,523	523,879	2,353,402
Board of Water Supply, City and County of Honolulu	8,303,000	2,262,730	-	74,148	10,639,878	15,096,479	3,380,929	18,477,408
Department of Water Supply, County of Hawaii	2,027,000	503,276	-	73,754	2,604,030	4,154,281	910,273	5,064,554
	<u>\$ 1,145,052,767</u>	<u>\$ 208,208,135</u>	<u>\$ 6,667,377</u>	<u>\$ 17,547,980</u>	<u>\$ 1,377,476,259</u>	<u>\$ 1,617,257,122</u>	<u>\$ 277,961,698</u>	<u>\$ 1,895,218,820</u>

Table 6

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

Deferred Inflows to be Recognized in Future OPEB Expense by Employer

June 30, 2024

Employer	Year Ending June 30:						Total
	2025	2026	2027	2028	2029	Thereafter	
State of Hawaii	\$ 392,293,208	\$ 422,072,513	\$ 204,076,214	\$ 207,229,373	\$ 12,242,730	\$ 975,745	\$ 1,238,889,783
City and County of Honolulu	85,435,208	87,760,378	33,772,996	38,565,340	533,574	28,282	246,095,778
Honolulu Authority for Rapid Transportation	309,432	(3,546)	(114,206)	(23,598)	-	-	168,082
County of Hawaii	16,133,349	18,792,145	10,942,123	10,817,998	9,245,842	176,259	66,107,716
County of Maui	17,541,897	20,460,512	7,006,819	9,944,077	6,543,550	(159,628)	61,337,227
County of Kauai	7,852,781	9,848,501	3,054,105	4,629,534	2,349,139	(124,801)	27,609,259
Department of Water, County of Kauai	518,492	640,758	218,597	296,404	288,367	(3,189)	1,959,429
Board of Water Supply, City and County of Honolulu	6,371,321	6,399,001	1,321,028	1,844,711	204,469	-	16,140,530
Department of Water Supply, County of Hawaii	1,358,019	1,479,873	499,964	689,528	389,497	70,643	4,487,524
	<u>\$ 527,813,707</u>	<u>\$ 567,450,135</u>	<u>\$ 260,777,640</u>	<u>\$ 273,993,367</u>	<u>\$ 31,797,168</u>	<u>\$ 963,311</u>	<u>\$ 1,662,795,328</u>

Table 7

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

Summary of Actuarially Determined and Actual Contributions by Employer

For the Years Ended June 30, 2024 and 2023

Employer	2024			2023		
	Actuarially Determined Contributions	Actual Contributions	Contributions Deficiency / (Excess)	Actuarially Determined Contributions	Actual Contributions	Contributions Deficiency / (Excess)
State of Hawaii	\$ 821,984,000	\$ 821,984,000	\$ -	\$ 839,445,000	\$ 839,445,000	\$ -
City and County of Honolulu	190,911,000	190,911,000	-	188,090,000	188,090,000	-
Honolulu Authority for Rapid Transportation	437,000	437,000	-	793,000	793,000	-
County of Hawaii	44,136,000	44,136,000	-	42,910,000	42,910,000	-
County of Maui	38,399,000	58,627,767	(20,228,767)	38,344,000	41,344,000	(3,000,000)
County of Kauai	17,553,000	17,553,000	-	17,294,000	17,294,000	-
Department of Water, County of Kauai	1,074,000	1,074,000	-	1,058,000	1,058,000	-
Board of Water Supply, City and County of Honolulu	8,303,000	8,303,000	-	8,180,000	8,180,000	-
Department of Water Supply, County of Hawaii	2,027,000	2,027,000	-	1,961,000	1,961,000	-
	<u>\$ 1,124,824,000</u>	<u>\$ 1,145,052,767</u>	<u>\$ (20,228,767)</u>	<u>\$ 1,138,075,000</u>	<u>\$ 1,141,075,000</u>	<u>\$ (3,000,000)</u>