



# **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, 2025 and 2024

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, 2025 and 2024

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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, 2025 and 2024, and the changes in fiduciary net position for the year ended June 30, 2025, 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, 2025 and 2024, and the changes in fiduciary net position of each individual employer for the year ended June 30, 2025, 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, 2025 and 2024, and the changes in fiduciary net position for the year ended June 30, 2025, 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, 2025 and 2024, and the changes in fiduciary net position of each individual employer for the year ended June 30, 2025, 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the fiduciary net position and the changes in fiduciary net position included in the 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 fiduciary net position and the changes in fiduciary net position included in 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 fiduciary net position and the changes in fiduciary net position included in 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, 2024 and 2023, and our reports thereon, dated November 26, 2024 and November 29, 2023, 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.

***KKDLV LLC***

Honolulu, Hawaii  
September 23, 2025

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

Schedule of Changes in Fiduciary Net Position by Employer

As of June 30, 2025 and 2024 and for the Year Ended June 30, 2025

Employer	Changes in Fiduciary Net Position for the Year Ended June 30, 2025						Fiduciary Net Position	
	Employer Contributions	Net Investment Income	Benefits Paid	Administrative Expenses	Other	Net Increase	June 30, 2024	June 30, 2025
State of Hawaii	\$ 821,984,000	\$ 428,637,227	\$ (406,400,038)	\$ (414,293)	\$ (59,439)	\$ 843,747,457	\$ 4,663,044,663	\$ 5,506,792,120
City and County of Honolulu	190,911,000	116,008,126	(94,981,478)	(113,756)	19,192	211,843,084	1,266,013,220	1,477,856,304
Honolulu Authority for Rapid Transportation	437,000	498,102	(223,606)	(500)	3,923	714,919	5,549,843	6,264,762
County of Hawaii	44,136,000	30,855,192	(21,615,165)	(30,451)	83,949	53,429,525	338,284,530	391,714,055
County of Maui	58,627,767	45,501,102	(21,639,637)	(46,776)	141,156	82,583,612	473,380,376	555,963,988
County of Kauai	17,553,000	19,576,266	(10,424,119)	(19,678)	78,188	26,763,657	218,548,914	245,312,571
Department of Water, County of Kauai	1,074,000	1,417,868	(671,805)	(1,430)	5,165	1,823,798	15,901,598	17,725,396
Board of Water Supply, City and County of Honolulu	8,303,000	11,156,131	(6,486,547)	(11,285)	(51,389)	12,909,910	125,896,242	138,806,152
Department of Water Supply, County of Hawaii	2,027,000	2,584,604	(1,281,226)	(2,609)	(16,134)	3,311,635	28,991,499	32,303,134
	<u>\$ 1,145,052,767</u>	<u>\$ 656,234,618</u>	<u>\$ (563,723,621)</u>	<u>\$ (640,778)</u>	<u>\$ 204,611</u>	<u>\$ 1,237,127,597</u>	<u>\$ 7,135,610,885</u>	<u>\$ 8,372,738,482</u>

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

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

Notes to Schedule of Changes in Fiduciary Net Position by Employer

June 30, 2025 and 2024

## **(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.

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

Notes to Schedule of Changes in Fiduciary Net Position by Employer

June 30, 2025 and 2024

*Employees Covered by Benefit Terms*

At June 30, 2024, the following employees were covered by the benefit terms:

Active employees	65,179
Inactive employees or beneficiaries currently receiving benefit payments	53,722
Inactive employees entitled to but not yet receiving benefit payments	8,819
	<u>127,720</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 a period of no more than 30 years.

**(2) Summary of Significant Accounting Policies**

*Postemployment Benefits Other Than Pension (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.



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

June 30, 2025 and 2024

**(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, 2024, 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 STATE OF HAWAII

## Notes to Schedule of Changes in Fiduciary Net Position by Employer

June 30, 2025 and 2024

### *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 (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 6.20%, declining to a rate of 4.25% after 20 years
HMO**	Initial rate of 6.20%, declining to a rate of 4.25% after 20 years
Part B & BMC	Initial rate of 5.00%, declining to a rate of 4.25% after 20 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.

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

June 30, 2025 and 2024

*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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Global Equity	30.00%	6.00%
Private Equity	15.00%	10.10%
Real Assets	12.00%	5.00%
Private Credit	10.00%	7.80%
Trend Following	10.00%	2.40%
Reinsurance	5.50%	5.10%
Long Treasuries	5.00%	2.60%
Alternative Risk Premia	5.00%	3.80%
US Microcap	3.00%	8.30%
TIPS	2.50%	2.10%
Tail Risk/ Long Volatility	2.00%	-1.30%
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).

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

June 30, 2025 and 2024

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 3.97% (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, 2025 and 2024 for each participating employer are presented in Table 1, *Summary of Net OPEB Liability by Employer*.

The total OPEB liability as of June 30, 2025 and 2024, and the changes in total OPEB liability for the year ended June 30, 2025 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, 2025 and 2024, and the changes in fiduciary net position for the year ended June 30, 2025 for each participating employer are presented in the accompanying Schedule.

The net OPEB liability was measured as of July 1, 2024 and 2023. Accordingly, participating employers will report their respective plan fiduciary net position as of June 30, 2025 and 2024 (as presented in Table 1), and their respective changes in fiduciary net position for the year ended June 30, 2025 (as presented in the Schedule), based upon information contained in the EUTF's audited financial statements as of June 30, 2024 and 2023, and for the year ended June 30, 2024, 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, 2025 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.

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

June 30, 2025 and 2024

Table 3 also presents the net OPEB liability as of June 30, 2025 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, 2025 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, 2025 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, 2025, 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, 2026.

The net OPEB liability was measured as of July 1, 2024. Accordingly, participating employers will report their respective deferred outflows of resources as of June 30, 2025 (as presented in Table 5) based upon employer contributions made by each participating employer during the year ended June 30, 2025.

The amounts reported as deferred outflows of resources related to OPEB at June 30, 2025, 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, 2025, resulting from the net difference between projected and actual earnings on investments, 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*.

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

## Notes to Schedule of Changes in Fiduciary Net Position by Employer

June 30, 2025 and 2024

### (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, 2025 and 2024, based upon actuarial valuations as of July 1, 2022 and 2021, respectively, for all participating employers. Table 7 also presents the actual contributions made during the years ended June 30, 2025 and 2024, 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, 2025 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)	13.0 to 20.0 as of fiscal year ending June 30, 2025
Asset valuation method	4-year smoothed market
Amortization growth rate	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 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 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

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

Notes to Schedule of Changes in Fiduciary Net Position by Employer

June 30, 2025 and 2024

Healthcare cost trend rates:

PPO (B)	Initial rate of 6.40%, declining to an ultimate rate of 4.25% after 22 years
HMO (B)	Initial rate of 6.40%, declining to an ultimate rate of 4.25% after 22 years
Part B	Initial rate of 5.00%, declining to an ultimate rate of 4.25% after 22 years
Dental	4.00%
Vision	2.50%
Life insurance	0.00%

(A) Board of Water Supply, City and County of Honolulu, Department of Water Supply, County of Hawaii, Department of Water, County of Kauai, County of Kauai, City and County of Honolulu, County of Maui, County of Hawaii (13.0); Honolulu Authority for Rapid Transportation (18.0); and State of Hawaii (20.0)

(B) Includes prescription drug assumptions

Table 1

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

Summary of Net OPEB Liability by Employer

June 30, 2025 and 2024

Employer	June 30, 2025			June 30, 2024		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
State of Hawaii	\$ 11,122,279,639	\$ 5,506,792,120	\$ 5,615,487,519	\$ 11,390,406,535	\$ 4,663,044,663	\$ 6,727,361,872
City and County of Honolulu	2,422,920,264	1,477,856,304	945,063,960	2,471,737,171	1,266,013,220	1,205,723,951
Honolulu Authority for Rapid Transportation	7,512,628	6,264,762	1,247,866	7,459,242	5,549,843	1,909,399
County of Hawaii	588,029,288	391,714,055	196,315,233	599,685,925	338,284,530	261,401,395
County of Maui	609,114,404	555,963,988	53,150,416	608,261,356	473,380,376	134,880,980
County of Kauai	281,700,319	245,312,571	36,387,748	288,970,041	218,548,914	70,421,127
Department of Water, County of Kauai	19,831,723	17,725,396	2,106,327	19,551,741	15,901,598	3,650,143
Board of Water Supply, City and County of Honolulu	148,734,300	138,806,152	9,928,148	154,622,118	125,896,242	28,725,876
Department of Water Supply, County of Hawaii	35,155,214	32,303,134	2,852,080	35,832,843	28,991,499	6,841,344
	<u>\$ 15,235,277,779</u>	<u>\$ 8,372,738,482</u>	<u>\$ 6,862,539,297</u>	<u>\$ 15,576,526,972</u>	<u>\$ 7,135,610,885</u>	<u>\$ 8,440,916,087</u>



Table 2

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

Summary of Changes in Total OPEB Liability by Employer

As of June 30, 2025 and 2024 and for the Year Ended June 30, 2025

Employer	Balance June 30, 2024	Service Cost	Interest on Total OPEB Liability	Year Ended June 30, 2025		Balance June 30, 2025
				Difference Between Expected and Actual Experience	Benefits Paid	
State of Hawaii	\$ 11,390,406,535	\$ 232,716,611	\$ 791,249,538	\$ (885,693,007)	\$ (406,400,038)	\$ 11,122,279,639
City and County of Honolulu	2,471,737,171	45,228,661	171,280,253	(170,344,343)	(94,981,478)	2,422,920,264
Honolulu Authority for Rapid Transportation	7,459,242	159,355	519,898	(402,261)	(223,606)	7,512,628
County of Hawaii	599,685,925	12,975,850	41,675,639	(44,692,961)	(21,615,165)	588,029,288
County of Maui	608,261,356	12,653,649	42,263,785	(32,424,749)	(21,639,637)	609,114,404
County of Kauai	288,970,041	6,031,364	20,074,156	(22,951,123)	(10,424,119)	281,700,319
Department of Water, County of Kauai	19,551,741	425,270	1,359,993	(833,476)	(671,805)	19,831,723
Board of Water Supply, City and County of Honolulu	154,622,118	2,449,565	10,682,254	(12,533,090)	(6,486,547)	148,734,300
Department of Water Supply, County of Hawaii	35,832,843	719,157	2,488,641	(2,604,201)	(1,281,226)	35,155,214
	<u>\$ 15,576,526,972</u>	<u>\$ 313,359,482</u>	<u>\$ 1,081,594,157</u>	<u>\$ (1,172,479,211)</u>	<u>\$ (563,723,621)</u>	<u>\$ 15,235,277,779</u>

Table 3

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

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

June 30, 2025

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	1% Increase
					Healthcare Cost Trend Rates	
State of Hawaii	\$ 7,239,965,117	\$ 5,615,487,519	\$ 4,309,124,623	\$ 4,241,188,345	\$ 5,615,487,519	\$ 7,365,685,831
City and County of Honolulu	1,296,567,084	945,063,960	664,819,165	653,929,122	945,063,960	1,315,005,108
Honolulu Authority for Rapid Transportation	2,445,092	1,247,866	311,172	309,862	1,247,866	2,437,769
County of Hawaii	285,467,325	196,315,233	125,396,523	121,661,763	196,315,233	291,833,632
County of Maui	145,804,353	53,150,416	(20,637,604)	(24,172,421)	53,150,416	151,733,342
County of Kauai	78,576,676	36,387,748	2,800,242	1,155,179	36,387,748	81,369,228
Department of Water, County of Kauai	5,092,388	2,106,327	(283,412)	(424,975)	2,106,327	5,339,819
Board of Water Supply, City and County of Honolulu	30,439,600	9,928,148	(6,520,221)	(7,074,543)	9,928,148	31,475,085
Department of Water Supply, County of Hawaii	7,879,339	2,852,080	(1,205,655)	(1,447,188)	2,852,080	8,296,903
	<u>\$ 9,092,236,974</u>	<u>\$ 6,862,539,297</u>	<u>\$ 5,073,804,833</u>	<u>\$ 4,985,125,144</u>	<u>\$ 6,862,539,297</u>	<u>\$ 9,253,176,717</u>

**Table 4**

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

Summary of OPEB Expense by Employer

For the Year Ended June 30, 2025

<u><b>Employer</b></u>	
State of Hawaii	\$ 126,975,060
City and County of Honolulu	6,124,932
Honolulu Authority for Rapid Transportation	(192,589)
County of Hawaii	6,384,017
County of Maui	(4,193,082)
County of Kauai	(1,675,372)
Department of Water, County of Kauai	(43,373)
Board of Water Supply, City and County of Honolulu	(4,614,377)
Department of Water Supply, County of Hawaii	(692,990)
	<u>\$ 128,072,226</u>

Table 5

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

Summary of Deferred Outflows and Inflows Related to OPEB by Employer

June 30, 2025

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	Net Difference Between Projected and Actual Earnings on Investments	Difference Between Expected and Actual Experience	Changes in Assumptions	Total Deferred Inflows
State of Hawaii	\$ 830,204,000	\$ 54,651,533	\$ -	\$ 541,027	\$ 885,396,560	\$ -	\$ 1,563,037,528	\$ 147,910,228	\$ 1,710,947,756
City and County of Honolulu	192,820,000	8,735,428	-	-	201,555,428	-	302,685,435	28,019,694	330,705,129
Honolulu Authority for Rapid Transportation	397,000	40,694	18,926	-	456,620	-	259,646	-	259,646
County of Hawaii	44,577,000	1,613,105	1,193,967	241,120	47,625,192	-	87,327,123	9,162,964	96,490,087
County of Maui	40,651,147	-	1,449,398	431,769	42,532,314	193,787	72,930,220	9,004,102	82,128,109
County of Kauai	17,729,000	980,763	1,135,611	105,644	19,951,018	-	40,281,083	4,355,201	44,636,284
Department of Water, County of Kauai	1,085,000	73,048	17,713	13,192	1,188,953	-	2,077,107	412,718	2,489,825
Board of Water Supply, City and County of Honolulu	8,386,000	500,511	-	-	8,886,511	-	20,153,719	2,367,673	22,521,392
Department of Water Supply, County of Hawaii	2,047,000	99,978	-	11,908	2,158,886	-	5,177,305	691,579	5,868,884
	<u>\$ 1,137,896,147</u>	<u>\$ 66,695,060</u>	<u>\$ 3,815,615</u>	<u>\$ 1,344,660</u>	<u>\$ 1,209,751,482</u>	<u>\$ 193,787</u>	<u>\$ 2,093,929,166</u>	<u>\$ 201,924,159</u>	<u>\$ 2,296,047,112</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, 2025

Employer	Year Ending June 30:						Total
	2026	2027	2028	2029	2030	Thereafter	
State of Hawaii	\$ 586,300,061	\$ 368,303,762	\$ 371,456,921	\$ 176,470,280	\$ 147,664,661	\$ 5,559,511	\$ 1,655,755,196
City and County of Honolulu	120,829,239	66,841,857	71,634,201	33,602,434	28,290,413	771,557	321,969,701
Honolulu Authority for Rapid Transportation	159,501	23,257	(3,166)	20,434	-	-	200,026
County of Hawaii	26,405,689	18,555,667	18,431,542	16,859,387	6,485,982	6,703,628	93,441,895
County of Maui	27,505,177	14,051,484	16,988,742	13,588,213	4,670,731	3,442,595	80,246,942
County of Kauai	14,170,856	7,376,460	8,951,889	6,671,494	3,391,750	1,851,817	42,414,266
Department of Water, County of Kauai	820,028	397,867	475,674	467,636	118,540	106,127	2,385,872
Board of Water Supply, City and County of Honolulu	8,960,632	3,882,659	4,406,342	2,766,098	2,005,150	-	22,020,881
Department of Water Supply, County of Hawaii	1,985,968	1,006,059	1,195,623	895,594	470,901	202,853	5,756,998
	<u>\$ 787,137,151</u>	<u>\$ 480,439,072</u>	<u>\$ 493,537,768</u>	<u>\$ 251,341,570</u>	<u>\$ 193,098,128</u>	<u>\$ 18,638,088</u>	<u>\$ 2,224,191,777</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, 2025 and 2024

Employer	2025			2024		
	Actuarially Determined Contributions	Actual Contributions	Contributions Deficiency / (Excess)	Actuarially Determined Contributions	Actual Contributions	Contributions Deficiency / (Excess)
State of Hawaii	\$ 830,204,000	\$ 830,204,000	\$ -	\$ 821,984,000	\$ 821,984,000	\$ -
City and County of Honolulu	192,820,000	192,820,000	-	190,911,000	190,911,000	-
Honolulu Authority for Rapid Transportation	397,000	397,000	-	437,000	437,000	-
County of Hawaii	44,577,000	44,577,000	-	44,136,000	44,136,000	-
County of Maui	38,085,000	40,651,147	(2,566,147)	38,399,000	58,627,767	(20,228,767)
County of Kauai	17,729,000	17,729,000	-	17,553,000	17,553,000	-
Department of Water, County of Kauai	1,085,000	1,085,000	-	1,074,000	1,074,000	-
Board of Water Supply, City and County of Honolulu	8,386,000	8,386,000	-	8,303,000	8,303,000	-
Department of Water Supply, County of Hawaii	2,047,000	2,047,000	-	2,027,000	2,027,000	-
	<u>\$ 1,135,330,000</u>	<u>\$ 1,137,896,147</u>	<u>\$ (2,566,147)</u>	<u>\$ 1,124,824,000</u>	<u>\$ 1,145,052,767</u>	<u>\$ (20,228,767)</u>