

# HOLOMUA

RETIREES & ACTIVE MEMBERS

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Employees' Retirement System  
of the State of Hawaii



The state ERS investment portfolio increased 13.4 percent in the 2017 fiscal year.

## State retirement fund gains 13.4 percent

The state Employees' Retirement System (ERS) investment portfolio increased 13.4 percent during the 2017 fiscal year, which ended on June 30, 2017. It was the best return since the portfolio gained 17.4 percent in 2014 and surpassed the ERS's investment target of 7.55 percent. During the fiscal year, ERS's assets increased by nearly \$1.6 billion resulting in a record total of \$15.6 billion over the year.

The strong 12-month return, culminating in a 2.8 percent gain in the fiscal fourth quarter, should help the ERS reduce its \$12.44 billion shortfall at the end of the 2016 fiscal year. The shortfall, or "unfunded liability" in the pension plan is calculated once a year and is typically announced in either December or January by ERS's independent actuary Gabriel, Roeder, Smith & Co.

"This performance absolutely shortens the number of years it will take us to be fully funded," said ERS Chief Investment Officer Vijoy Chattergy, referring to the current pro-

jection of less than 30 years. "This is a one-term number, but the focus should be on longer-term performance. A five-year return compounding at 9.2 percent is very difficult to do in this low-interest-rate, low-inflation environment."

The ERS's trust fund, which provides retirement, disability and survivor benefits to more than 120,000 active, retired and inactive state and county employees, was only 54.7 percent funded as of June 30, 2016, meaning the fund had just a little more than half the amount needed

*"This performance absolutely shortens the number of years it will take us to be fully funded."*

**Continued on Page 3**

# Message from the Executive Director

As the Summer begins to fade and attention turns toward strategic planning, budgets, and the upcoming legislative session, I am inclined to reflect, if ever so briefly, on what we've been able to accomplish over the past year. I do this largely in the context of setting goals for the year ahead. At the same time we must acknowledge,

honor, and seek instruction from the journey.

A look back reveals unmistakable progress toward the strengthening of our fiscal future and the convergence of our team around the precepts of exceptional service and member commitment.

The difficult, though vital decision of

the legislature to approve phased employer contribution increases should serve as the cornerstone of our financial stability for years to come. This certainty in the receipt of enhanced funding is counterbalanced in large measure by the uncertainty of the future investment environment. Our responsibility is to prudently invest these monies by assembling the talent and tools needed to optimize that added income in what has become a significantly more challenging and complex investment environment. To the extent we can accomplish that goal we can shorten the period toward full funding, avoid or delay the need for further increases, and preserve our plan in benefit of both existing and future retirees.

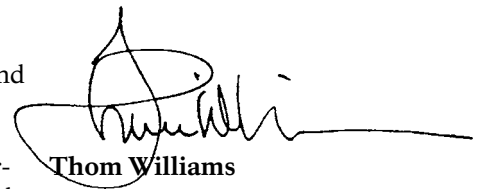
Internally, we have completed a series of audits confirming all that we do well while highlighting areas posing risks and needing improvement. Updated technology will improve system reliability, security and service delivery. A deep understanding of the changing needs of our members—in combination with a comparable understanding of each staff member's work and

how it has changed in both complexity and quantity—drives the internal reorganization of several departments, to include work-flow and job descriptions.

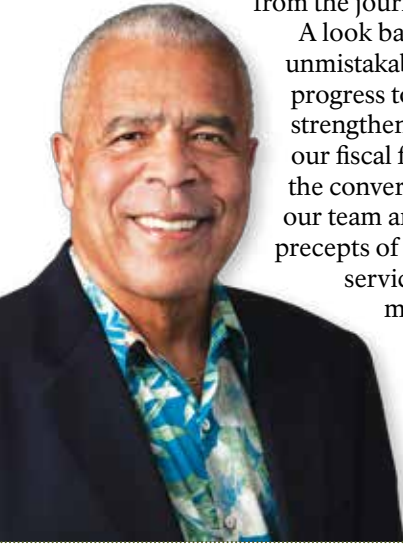
Importantly, we've worked hard to improve communications to and between us and our many stakeholders. Our solicitation of member email information as noted in this newsletter is but one such effort.

A great deal of good has happened over the last year but we must remain vigilant in assuring that both the service improvements and funding progress we've worked so hard to achieve are sustained. While we are stronger and better today than we were a year ago, we take nothing for granted.

Mahalo,



Thom Williams



## Claim and Purchase of Service

New members after June 30, 2016, are advised that Act 86, SLH 2015 estab-

lished new rules and deadlines to claim previous membership service rendered as an employ-

ee of the State or County for which you are not currently credited, and for any previous military service you may wish to claim. Under these new provisions, you must file your claim for prior service within one year of entering service, or upon earliest eligibility.

Please refer to our website at [ers.hawaii.gov](http://ers.hawaii.gov) for information on previous service and to download and complete the Claim for Service (Form EC&B 24). In addition, if you wish to claim for previous active military service, you may refer to Form 1551 – Request to Acquire Previous Military Service Credit – which specifies the requirements to be eligible for this additional service credit. Refer to the Active Members and Member Forms dropdown items on the website menu for further information.

If claims for previous or military service are not submitted within one year of

entering service or upon earliest eligibility, this service will not be certified.

Also included with Act 86, are new commencement of purchase deadlines which apply to all Hybrid and Contributory members. Upon new ERS certifications of claims for service, lump sum or payroll deductions for this service must commence within one year of the certification date. For employees on professional improvement (PI) leaves, commencement of contribution payments must begin within one year of your return. As PI leaves are not monitored by the ERS, we need your assistance by contacting our office at 586-1735 upon your return from leave in order for ERS to start the acquisition process. If commencement of purchase is not initiated by the required deadlines, the service will not be creditable thereafter.

## Online Info Update

Member information on our website has been updated with service credit and account balances as of August 2017. Online member information is available for active members in the Contributory, Noncontributory and Hybrid plans. Service credit and account balances may vary between members due to payroll lag and adjustments. **Help us ensure that we have the most accurate information possible by logging on to the website at <http://ers.hawaii.gov>, clicking on "Member Information (Active Members Only)" and reviewing your retirement information.** Report any discrepancies by clicking on the link to the Correction Form and mailing it to ERS with a copy of your "My Retirement Account" screen print. Once we have completed our research, corrections will be applied and you will be notified of any changes.

## UA 'IKE ANEI OUKOU? DID YOU KNOW?

Did you know that as of June 30, 2016, approximately 25 percent of our 67,377 active members have over 20 years of credited service, and that 32 percent are over 55 years of age? There are between 14,000 to 15,000 members currently eligible to retire.



# Report from Vijoy Chattergy, Chief Investment Officer

There is an old joke that goes something like this:

**Question: How do you get \$6 billion by investing in the capital markets?**

*Answer: Give \$8 billion to a defined benefit pension plan manager and wait a few years.*

Aloha Kakou,

Now, in some circles that is funny, but for those of us who actually have a fiduciary responsibility to invest pension assets, the joke is a dud. Over the past several years, ironically, this is what happened at the ERS, but with an important twist. It is important to understand this twist to appreciate the scale of the challenges facing the ERS.

Start by going back to September 2011, when the ERS had \$10.2 billion in assets. That valuation was reached after an extremely poorly performing quarter as the portfolio lost 11.2 percent of its assets (\$1.3 billion over three months), and was a bottom quartile performing pension plan as measured against a peer group of large public pension plans (i.e., ERS was worse than 75 percent of the pension fund universe at that time).

Market conditions were severe in the summer of 2011. The U.S. Congress was deadlocked over the federal budget and raising the so-called “debt ceiling.” One credit rating agency took the unprecedented step of downgrading U.S. sovereign credit from AAA. Equity markets panicked and sold off. The European debt crisis moved from Greece to Italy as weaker periphery economies looked vulnerable. The Federal Reserve announced it would restructure its balance sheet to invest in long-term securities to support a stalling economic recovery.

The ERS also made some mistakes in its asset management. Investment contracts sometimes took six to 12 months to complete, meaning that newly hired fund managers were not able to implement preferred strategies to react to changing conditions. Investment policy did not require equity managers to remain fully invested allow-

ing a few to move into relatively large cash holdings, thereby missing market rebounds. Finally, there was only one senior investment professional and one more junior investment professional (who was on staff for less than six months) to monitor a large and complex portfolio.

Fast forward to 2017: The ERS portfolio is approximately \$16.2 billion in assets, \$6 billion more or almost a 60 percent increase. This change translates to 9-10 percent annualized compounding in asset growth for the last six years, exceeding the 7 to 8 percent expected return (actuarial assumed rate of return) for the period by 100-300 basis points. Additionally, the ERS outperformed its benchmark (i.e., a portfolio of “index” funds using similar strategies) for every measurement period, and the ERS has become a top quartile performing pension plan measured against a peer group of large public pension plans (i.e., ERS is currently better than 75 percent of the pension fund universe).

What changed? Markets have performed well, but uncertainty and macro risks remain. Investment policies and operational processes have improved. However, the most important change, from my perspective, was that the Board of Trustees and State Legislature decided to build-out a professionally staffed investment office. There are now six investment professionals advising the Trustees, working with consultants and fund managers, and monitoring portfolio performance daily. The six are not making dramatic nail-biting calls on buying or selling securities—that’s for the movies. Instead, they make lots of small decisions every day to have the right attitude, pay attention to details, act on behalf of the best interests of ERS members and benefi-

ciaries. The cumulative effect of these incremental choices has led to the enviable performance track record of today.

Now, to tie back into the original joke, it is also important to remember that over the past six years, the ERS became cash-flow negative, meaning it experienced annual payouts to retirees and beneficiaries of \$200-\$300 million more than in contributions from employers and employees. In other words, to achieve the \$6 billion increase, the portfolio actually grew another \$1.2 to \$1.8 billion that was paid-out over the period. Returns on this “lost” \$1 billion-plus was \$100 million-plus. This is the \$8 billion twist to remember.

Recently, the State Legislature decided to increase employer contribution rates into the ERS, acknowledging the Trustees’ observation that future investment returns will be difficult to achieve. In time, this should make the ERS’s financial situation cash-neutral. That should be applauded as wise and responsible. Nevertheless, the world will continue to have uncertainty, limited growth, modest inflation, and low interest rates—overall, not great investment conditions. To ensure the sustainability of the pension plan, we all need to support the investment professionals and investment program as the best and least costly solution to the substantial challenges ahead.



## Continued from Cover

to pay all the pensions promised.

Higher contributions by employers to the ERS which took effect July 1, 2017 and continue through 2021 will help cut into the unfunded liability in future years. These graduated contribution increases, will raise an additional \$34.6 million in fiscal 2018, \$70.7 million in fiscal 2019, \$176 million in 2020, and \$252 million in 2021. That should

help compensate for the ERS’s new annualized investment target of 7 percent, which also took effect July 1 and was lowered to reflect anticipated market conditions.

ERS trustees began repositioning assets in the portfolio nearly two years ago to better manage the fund’s risk. The move seems to be paying off as the ERS portfolio has beaten its peer funds with more than \$1 billion in assets over the last one-, three- and five-year periods and matched the

group over the last 10-year period.

“These strategies have allowed us to perform very well and at the same time decrease the overall risk of our portfolio,” Chattergy said. “A year ago we were around 83 percent in equity risk, but as we’ve restructured with new managers and strategies, we’ve brought down that rate by seven percentage points to 76 percent overall. We have lowered the risk but at the same time are performing better than the majority of our peers.”

# ERS Board Trustee Election

## Ballots Due: November 6, 2017

An election will be conducted in the next few weeks to fill a member trustee position that will become vacant on January 1, 2018. All active members, inactive vested members and retirees are eligible to vote. Voting packets, consisting of a ballot, candidate information sheets and a return envelope, will be mailed out on October 16, 2017.

If you do not receive a voting packet, please contact the election auditing firm KMH, LLP at: (808) 543-3302 or email them at ERSBallot@kmhllp.com as soon as possible.

The Board of Trustees, comprised of eight voting members (four elected by the membership, three appointed by the Governor, and the Director of Finance as an ex-officio member), is responsible for the general administration and proper operation of the ERS. The Board oversees the ERS Executive Director, sets investment policy and monitors the stability and solvency of the ERS trust fund. The ERS trust fund, by law, must be used for the exclusive benefit of its members. As its fiduciaries Board members serve six-year terms and are not compensated for their service.

Trustee candidates are nominated by either an endorsement of the employee organization to which they belong, or by an individual's petition containing signatures of 100 members. The following candidates have been nominated by the Hawaii Government Employees' Association and the United Public Workers.

## ERS Trustee Candidate Profiles

**Ka'aina S. Hull** is currently the Deputy Director of Planning with the County of Kauai. His projects include coastal erosion, the farm worker housing ordinance and the review of renewable energy facilities. Mr. Hull is a graduate of Kamehameha Schools and the University of



California at Berkeley. He has held various leadership positions with HGEA since 2007. "To fulfill the promise of pension benefits for current and future retirees," states Mr. Hull, "the ERS Board must serve with vigilance and efficiency. With civil service, union and administration experience, I am committed to securing financial stability while building further solvency."

**Genevieve Ley, M.D.** is a tuberculosis physician with the Communicable Disease and Public Health Nursing Division of the State Department of Health. Prior to becoming a doctor, Dr. Ley was an agent selling financial products with The Prudential. Now that she works with the Department of Health, she is shocked to read how poorly the ERS has performed in recent years, noting that while index funds were averag-



ing over 10 percent, the ERS was earning .06 to .9 percent. "Any person wanting to manage our ERS fund should be willing to disclose their personal asset performance," she states, revealing that her personal 401K has produced a 21.20 percent gain during the 2017 fiscal year and her personal investments have gained 15 percent during the same period.

**James Wataru** is a plumber with the Department of Accounting and General Services of the State of Hawaii. He has been an active member of the UPW since 2003 and has served as UPW President since 2009. He is a board member of AFL-CIO, Labor Community



Services, and the Blood Bank of Hawaii. He is the chairperson of the Honolulu Fire Commission, a board member of the Correctional Industries Advisory Board and Chapter President of the Asian Pacific American Labor Alliance. Mr. Wataru notes: "The many active roles I am involved with has not prevented me from what I consider my most important role, as husband, father and foster parent."

**Ballots must be postmarked by November 6, 2017 to be considered valid.**

The new Trustee of the ERS Board will be announced in December.

## Upcoming Brown Bags at ERS

Just a friendly reminder—ERS has only two remaining sessions left for 2017! Take notice that ERS is conducting its first Hybrid session for Tier 2 members hired after June 30, 2012, and for returning non-vested Hybrid members with less than five years who returned to work after four calendar years from termination.

To register, please call our office at 586-1735 at least one week prior to the session. There is also limited validated parking in our building. Feel free to bring your lunch!

**October 17: Hybrid (Tier 2)**  
**October 31: Contributory**

City Financial Tower – ERS  
201 Merchant Street, Suite 1400  
**11:30am-12:30pm**

## Request for membership email and mailing address updates

Earlier this year after ERS mailed copies of Form 1099R statements (federal income tax withholding and annual post-retirement increase payment) to retirees and beneficiaries, approximately 300 to 500 were returned due to incorrect mailing addresses.

All members (active and vested) and retirees will be eligible to vote in the upcoming election for a new member to the ERS Board of Trustees. If you did not receive a ballot, we may not have a current correct address for you. There are several ways to update your mailing address:

**Go to our website at [ers.hawaii.gov](http://ers.hawaii.gov) and complete a Mailing Address Change (ERS-211) form from the "Retirees > Pension Forms" or the "Members > Member Forms" menus.** This fillable form may be completed online,

printed and mailed or our office at 201 Merchant Street, Suite 1400, Honolulu, HI 96813, or scanned and emailed to our office at [dbf.ers.sss@hawaii.gov](mailto:dbf.ers.sss@hawaii.gov). Click on the email link on the Home Page of our website for direct emailing to ERS.

In addition, we are compiling a list of email addresses for our members which may be submitted to ERS at the email address above. Indicate "Email Address" in the subject line. All email address information will be strictly confidential and used solely for official ERS news and informational updates – addresses will never transfer to other parties.

Sending in your email address will allow us to provide you with more timely information and at the same time help us to reduce future printing and postage costs. We ask for your kokua.



# The ERS and Ka'anapali

The highly diversified investment portfolio of the Employees' Retirement System (ERS) includes approximately five percent (about \$789 million) of its total assets of \$15.4 billion in real estate. One of its unusual real estate investments consists of two golf courses on Maui: the Royal Ka'anapali and the Ka'anapali Kai golf courses, which were acquired by the ERS as a result of a settlement in 2003 following a lengthy lawsuit and foreclosure process. Both Ka'anapali golf courses were built more than 40 years ago.

## Why is the ERS seeking to revitalize its Ka'anapali property?

Ownership of the 305 acres of the Ka'anapali Golf Courses fell to the Employees' Retirement System in 2003 as the result of the foreclosure action. As a trust fund and fiduciaries, we recognize our responsibility to ultimately be good stewards of both the land we have acquired and of our members' retirement assets. With an eye toward enhancing the property's value to the retirement fund, the resort area, and the surrounding community, the ERS is proposing a plan to update the golf courses and to utilize select portions of the property for new residential and resort-related developments. To this end, the ERS is teaming up with Lowe Enterprises Investors to plan and coordinate funding for the Ka'anapali Golf Courses Revitalization Plan.

Our goal is to create a master plan which maintains the beauty and character of the Ka'anapali area, is sensitive to the island's host culture, addresses the need for revitalization of the resort area, creates long-term stability and economic strength for labor, and provides value for local residents in the form of affordable housing and other needed infrastructure. Critical issues such as traffic, affordability, water, and preservation of cultural and archaeological resources have been, and will remain, in the forefront of this process. We are committed to creating a redevelopment solution which improves services to the community without exacerbating issues that already exist, and we will seek to address each of these concerns as we move through the process.

Implementation of the plan won't happen overnight. The project involves preparation of an Environmental Impact Statement, a multi-year process, as well as the acquisition of various land use entitlements and

permits. Plans to reconfigure and update the Ka'anapali property continue to evolve as we work toward a solution which benefits the retirement system, the resort, and the community alike. Over the past two years, we've reached out for feedback from numerous community groups and individuals, government agencies, and businesses within the Ka'anapali Resort. Moving forward, the public will see even greater transparency as we continue to seek feedback and to listen.

## Is the ERS going to spend \$343 million to build out Ka'anapali?

In short, no. We have seen a number of sources touting a very large figure for the cost of the Ka'anapali redevelopment plan. All of those numbers have been an attempt to place a value on what the completed redevelopment would be worth at some time in the future, but do not reflect what the Plan is seeking to invest in the project.



The Royal Ka'anapali Golf Course

We believe that the revitalization of Ka'anapali is beneficial for all of the stakeholders involved, including the community as well as the ERS. However, each phase of the plan must also be economically feasible. At this time we have not committed to invest any ERS assets beyond undertaking the entitlement process for the Ka'anapali revitalization project.

We understand the importance of being good managers of our Plan assets as well as good neighbors in our local communities. As such, we are committed to greater transparency to ensure that information is accurate and accessible. We also look forward to continuing and expanding our dialogue with the public and our project's stakeholders.

## 2017 Fall Filing Session Schedule

As a reminder we have scheduled dates and times for upcoming ERS counseling appointments for Oahu members who are retiring by December 31, 2017. Neighbor Island members may contact our island representatives for an appointment.

For members with scheduled appointments, ERS prepares a Retirement Estimate letter (projected pension amounts) based on your retirement date, service, salary history, and beneficiary. Your early scheduling allows staff to prepare your projected pension. During the counseling session, staff will assist you in completing your retirement application, copy and return your proof documents, and explain the option features.

Members with no appointment are counseled and will receive their Retirement Estimate Letter afterwards.

Plan ahead and contact our office to schedule an appointment; don't wait for the last day to file your application. Please also note that retirement date changes to your filed application are allowed within 150 days of your filing date.

The ERS encourages you to bring your spouse and/or significant other, as well as your financial advisor, to the counseling appointment.

**Contact our office at (808) 586-1735 or you may also visit our website for more information on the appointment schedule at <http://ers.ehawaii.gov> under Members> Retirement Planning.**

The remaining 2017 session dates are listed below: appointment times are 8am, 9:15am, 10:30am, 1pm, and 2:15pm at the Oahu ERS:

### Filing Session Dates

October 18, 20, 25, 27

November 1, 3, 7, 9, 15, 17, 20, 22, 29

December 1

### Last Filing Dates

Nov. 1 = Last day to file for Dec. 1

Dec. 1 = Last day to file for Dec. 31

## Retiree Open Enrollment

Are you looking to add or drop a dependent? Change, add or drop health benefit plans? Now is your opportunity to do that during retiree open enrollment – October 9, 2017 through October 31, 2017. Changes made during open

enrollment will be effective January 1, 2018. Retirees were mailed a Retiree Reference Guide the last week of September. If you did not receive your Reference Guide, please call EUTF at 808-586-7390 or toll free at 1-800-295-0089. The Reference Guide will provide you with information on the dates, times, and locations of the Open Enrollment Informational Session(s) on each island. In the Reference Guide, you can also find information on webinars that will be conducted for those who cannot attend an informational session in person.

### UnitedHealthcare Medicare Advantage Medical Plan

The UnitedHealthcare (UHC Plan) will be discontinued December 31, 2017. Current enrollees in the UHC Plan should have received a letter notifying them that they will be moved to the HMSA retiree medical plan unless the retiree elects to drop coverage or move to the Kaiser Senior Advantage Plan. Employees who are Medicare

eligible and are retiring this calendar year should be aware that the UHC Plan will be discontinued at the end of the year.

### Change of Address?

If you recently moved or changed addresses, now is a good time to notify the EUTF. Go to our website at [eutf.hawaii.gov](http://eutf.hawaii.gov), select RETIREES pull down, View All Forms, Retirees tab, and Address Change Form for Retirees. Complete and submit the form to the EUTF at the address located on the form; or call EUTF at 808-586-7390 or toll free at 1-800-295-0089 to request that an Address Change Form for Retiree be mailed to you.

## Money Saving Opportunity:

### Need Assistance with Retiree Premiums or Prescription Drug Copayments?

Medicare offers several “Extra Help” programs that can assist retirees by lowering their prescription drug costs. The Low Income Subsidy program (LIS program), can significantly lower your prescription drug copayments and/or assist with your monthly premiums. Eligibility for the LIS program is based on your income and resources, including your savings and stocks, but not your home or car.

People with limited income and resources may qualify for “Extra Help.” Some peo-

ple automatically qualify for “Extra Help” and don’t need to apply. Medicare mails a letter to people who automatically qualify for “Extra Help.”

### To find out if you qualify for getting “Extra Help,” call:

- 1-800-MEDICARE (1-800-633-4227), 24 hours a day, 7 days a week.
- The Social Security Administration either by phone at 1-800-772-1213, between 7 a.m. to 7 p.m., Monday through Friday or online ([www.socialsecurity.gov/extra-help](http://www.socialsecurity.gov/extra-help)). You may also apply by visiting your local Social Security office in person.

Once enrolled in the LIS program, you may be sent a letter every year notifying you that you no longer automatically qualify and have to reapply. These letters are sent jointly from the Social Security Administration and the Centers for Medicare and Medicaid Services (CMS) and generally are sent out by the end of September.

Additional “Extra Help” programs include Medicaid (Med-QUEST Division) and the Medicare Savings Program. Both programs are state run by the Med-QUEST Division. Depending on your level of coverage, enrollment in these programs could lower or eliminate your premiums and cost share (copayments and coinsurances). To find out if you are eligible please contact Med-QUEST at 1-877-628-5076.

## Supporting Documents Requirement

Beginning January 1, 2018, EUTF will require that all supporting documents (e.g., marriage certificates, birth certificates for dependents with a last name different from the employee, letters indicating a loss

of coverage or acquisition of coverage, etc.) be received before an enrollment form is processed.

Enrollment Forms must still be received by the employer or postmarked for retirees within 30 days for most mid-year qualifying life events (180 days for births). Supporting documents must be received by the EUTF within 60 days of the event (60 days from the receipt of the EC-1 for births). Failure to submit Enrollment Forms or documents within the timelines will result in the EUTF denying the change request.

## Help with Questions

Do you have a question about enrolling in Medicare Part B? How to save money on prescription drug costs? When and how you can make changes to your health benefit plans during the plan year? What wellness benefits are covered under your health benefit plans that will help with your heart condition? The answer to these questions and more are at your fingertips at [eutf.hawaii.gov](http://eutf.hawaii.gov). Our recently updated website contains information on covered health and wellness benefits provided by HMSA and Kaiser; short videos on Medicare, money saving tips, the emergency room and much more; on demand presentations on understanding your benefits, pre-retirement preparation, COBRA, and open enrollment; checklists for employees thinking of retiring; information on when you are allowed to make changes to your health plans during the plan year; and more. Visit [eutf.hawaii.gov](http://eutf.hawaii.gov) today.

## Health and Wellness

Have you completed a health assessment this year? Here are some tools to evaluate your health risks and quality of life.

### HMSA Members – What’s your Real Age?

You know your calendar age, but do you know your body’s RealAge? Find out by taking Sharecare’s RealAge Test. The test gives you a RealAge based on factors that your affect health and longevity. You might be surprised to learn that your body is older or younger than you think it is. Once you know your RealAge, Sharecare will help you maintain or improve your RealAge in categories such as sleep, stress, and daily activity.

### Download Sharecare today!

- Register on [hmsa.com/sharecare](http://hmsa.com/sharecare). Please use your HMSA subscriber ID number.
- Download Sharecare. If you’re asked for an activation code, enter greendays.
- Take the RealAge Test to discover your body’s age.

FOR  
RETIREES

FOR ACTIVE  
& RETIREES



A web version is available if you don't have access to a smart phone. If you aren't an HMSA member, download the Sharecare app through the App Store or Google Play. RealAge® is a registered mark of Sharecare, Inc. Sharecare, Inc., is an independent company that provides health and well-being programs to engage members on behalf of HMSA.

**Kaiser Members – Total Health Assessment and Healthy Lifestyle Programs**

**Active Employees:** Take advantage of great benefits and earn up to \$100 in rewards by taking steps to a healthier you.<sup>1</sup> Assess your health by taking a free online total health assessment, a simple online questionnaire to give you a complete look at your health and earn \$25 in

Visa rewards. Covered spouses are eligible too! Answer questions about yourself, and get a customized action plan to guide you through your wellness goals and get you to feel your very best.

Support your wellness goals and action plan with our healthy lifestyle programs. Once you receive your action plan from the total health assessment results, you can earn an additional \$25 in Visa rewards for each online healthy lifestyle program you complete, up to three programs per year.<sup>1</sup> Choose from eight programs or focus areas to help in losing weight, eating healthier, quitting smoking, reducing stress, and managing ongoing health conditions.

Start today by visiting [kp.org/eutf](http://kp.org/eutf) and click on “Reap the Rewards.”

**Retirees:** Take advantage of great benefits and resources to a healthier you! Start with a free total health assessment, a simple online questionnaire to give you a complete look at your health. Answer questions about yourself and get a customized action plan to guide you through your wellness goals and get you to feel your very best. *Get started by visiting [kp.org/tha](http://kp.org/tha).*

Support your wellness goals and action plan with our healthy lifestyle programs. Choose from eight programs or focus areas to help in losing weight, eating healthier, quitting smoking, reducing stress, and managing ongoing health conditions. *Participate in the healthy lifestyle programs by visiting [kp.org/healthylifestyles](http://kp.org/healthylifestyles).*

**FOR ACTIVE MEMBERS**

**Thinking of Retiring?**

If you are thinking of retiring, you should consider some important differences between the employee and retiree plans.

	Employee Plans	Retiree Plans
Child Dependent Eligibility for Medical and Prescription Drug Benefits	Covered until age 26	Covered until age 19 if unmarried and living with the retiree, and ages 19 through 23 if the child is unmarried, living with the retiree (except for full-time students away at college) and a full-time student.
Chiropractic Benefit	Covered	Not covered under EUTF retiree plans. Covered under HSTA VB retiree plans.
CVS and Kaiser Prescription Drug Benefits	In general, higher copayments for preferred and other brands as compared to retiree plans.	In general, lower copayments for preferred and other brands as compared to active employee plans.
Dental Benefits	Restorative, endodontics, periodontics, oral surgery and adjunctive general services—covered at 80% (except for crowns and gold restorations which are covered at 60%). Orthodontic benefit—covered at 50%.	Restorative, endodontics, periodontics, oral surgery and adjunctive general services—covered at 60%. No orthodontic benefit.
Medicare Part B	Enrollment is optional, but not required. Medicare Part B premiums are not reimbursed.	Enrollment is mandatory for EUTF retirees and their dependents who are covered under retiree medical and/or prescription drug plans and are eligible for Medicare Part B. Failure to enroll into Medicare Part B will result in their disenrollment from EUTF retiree medical and/or prescription drug plans. Medicare Part B premium reimbursement is available for retirees and their spouse or partner who pay Medicare Part B premiums. Medicare Part B premium reimbursement is not available for retirees whose Medicare Part B premiums are paid by another government entity or for retiree dependent children with Medicare Part B.

*This list is not comprehensive and detailed so you should also review the Active Employee and Retiree Reference Guides at [eutf.hawaii.gov](http://eutf.hawaii.gov) and compare the plan benefits and/or call your health benefits insurance carriers.*

<sup>1</sup>You are responsible for any taxes that may be due on the amounts received. Please talk to your personal tax adviser for specific tax information about this reward. The rewards program runs from July 1, 2017 to June 30, 2018, and is open to all EUTF subscribers and their enrolled spouses, 18 years old and older, excluding retirees and those enrolled in the HSTA VB Plan. You can take the total health assessment as often as you like and as many healthy lifestyle programs as you like, but you can only earn up to \$100 per contract period. You must complete the activities during the program year. Rewards will be issued 4 to 6 weeks after you complete your activity.



Employees' Retirement System  
of the State of Hawaii

201 Merchant Street, Suite 1400  
Honolulu, HI 96813-2980

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### Contact ERS-Pension

Monday-Friday 7:45am - 4:30pm  
(Except State Holidays)

For pension related questions,  
please contact ERS at:

**O'ahu:** (808) 586-1735  
**Kaua'i:** (808) 274-3010  
**Hawai'i:** (808) 974-4077  
**Maui:** (808) 984-8181

Moloka'i & Lana'i toll-free to Maui:  
1 (800) 468-4644, ext. 48181

Continental U.S. toll-free to O'ahu:  
1 (888) 659-0708  
<http://ers.ehawaii.gov>

Contact EUTF-Medical Coverage  
Monday-Friday: 7:45am-4:30pm  
(Except State Holidays)

For medical coverage and  
medicare reimbursements,  
please contact EUTF at:  
(808) 586-7390

Toll-free: 1 (800) 295-0089  
or email at [eutf@hawaii.gov](mailto:eutf@hawaii.gov)

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**HOLOMUA**  
RETIREES & ACTIVE MEMBERS

## Ask ERS

### Answers to some frequently asked questions:

**Q: I have been approved for a Professional Improvement Leave during the next school year. Although this is an approved leave without pay, I have been assured that I will not lose any service credit with the retirement system. How will the ERS know that those months without pay should be creditable?**

*A: Professional Improvement leaves are approved by your employer, but not monitored by the ERS. Upon your return from leave, you must claim for this period and have the ERS certify your creditable service. This service should be claimed within a year after your return. If you are a Contributory or Hybrid member, retirement contributions must also be paid for this leave to be credited. Please make sure to contact us as soon as possible upon your return from leave.*

**Q: As a retiree, with a home phone, I must receive 20 calls a week from callers and recorded messages telling me that I am delinquent on tax payments, that my computer needs repair, to claim for winnings, etc. Does the ERS distribute or sell my contact information?**

*A: No. The ERS will never divulge your contact information to other parties. We will only call if we are responding to your request. If there are circumstances requiring an unsolicited call, the ERS representative will always provide you their name, position and official contact information. The National Council on Aging verifies that financial scams targeting seniors have become so prevalent that they're considered "the crime of the 21st century." They are also highly unreported. If you receive an unexpected call from the ERS requesting personal information, please get the caller's name and position and notify us immediately.*