

A view from the Maha'ulepu Heritage Trail, near Poipu Beach

FALL 2018

HOLOMUA

RETIREES & ACTIVE MEMBERS

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Employees' Retirement System of the State of Hawaii

State pension fund up 7.7%, surpasses target

By Dave Segal

Hawaii's largest public pension fund has achieved a 7.7 percent investment return for the fiscal year to exceed its annual target and take a step toward narrowing its \$12.93 billion shortfall.

The state Employees' Retirement System, which provides retirement, disability and survivor benefits to more than 135,000 active, retired and vested state, city and county employees, targets an annual 7 percent assumed rate of return to help cover its financial obligations to current and former employees.

The fund's fiscal year return was boosted by a 12.5 percent increase from its domestic and international equity growth investments, according to a report presented to ERS trustees by Portland, Ore. based Pension Consulting Alliance LLC.

"We're really happy with the way this turned out for the fiscal year," said Acting Chief Investment Officer Howard Hodel, who took on additional responsibility with his risk management position after Vijoy Chattergy resigned in mid-February for undisclosed reasons. "We have a target rate of 7 percent and got 7.7 percent, so we exceeded that, as the excess return added over \$100 million extra into the portfolio above our target."

Hodel will relinquish his Act-

Tracking the Money

The Hawaii Employees' Retirement System pension fund investments rose in fiscal 2018 from a year earlier. The investment return does not correlate to the change in total assets due to benefit distributions and contributions.

FISCAL YEAR*	GAIN/LOSS	TOTAL ASSETS
2018**	+7.7%	\$16.5B
2017	+13.7%	\$15.6B
2016	-0.9%	\$14.0B
2015	+4.0%	\$14.4B
2014	+17.4%	\$14.1B
2013	+12.0%	\$12.3B
2012	-0.6%	\$11.3B
2011	+20.7%	\$11.6B
2010	+11.7%	\$9.8B
2009	-18.7%	\$8.8B
2008	-3.4%	\$10.8B
2007	+17.7%	\$11.5B
2006	+11.1%	\$9.9B

*Fiscal year ends June 30.
**Includes 0.7 percent return in the fourth quarter.
Source: State of Hawaii Employees' Retirement System

ing Chief Investment Officer role when Elizabeth Burton, Managing Director of the Quantitative Strategies Group at the Maryland State Retirement Agency, takes over Oct. 1.

The ERS portfolio, which gained 0.7 percent in the fiscal fourth quarter, finished the year with \$16.46 billion in assets. That was down slightly from the \$16.58 billion where it start-

ed the April-June period but up from \$15.62 billion at the start of the fiscal year in July.

Hodel said the fourth quarter drop in assets is entirely due to benefit payments exceeding contributions. The state frontloads its contributions at the beginning of the fiscal year, which means that

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Message from the Executive Director

Protecting Your Benefits

As the end of summer approaches, the ERS Board and management team's focus shifts from the fund's recent legislative, operational and investment activities toward the challenges, opportunities and threats, both near and longer-term, that we expect to face in the months and even years ahead.

We are mindful of the ever-changing economic, regulatory, legislative and political environment affecting our core mission of providing long-term financial security in retirement for our members and their loved ones. The social and fiscal interdependencies affecting our fund's long-term sustainability must be acknowledged and accounted for.

While we are charged with a singular purpose, that is assuring promised benefits are secured and delivered, we have been reminded that the path to sustainability—created largely by substantial scheduled employer contribution increases—must be steadfastly maintained if we are to achieve our dual goals of plan sustainability and affordability in the context of other societal resource demands. The establishment of required increases, though a vital first step, is eclipsed by the recognition that they must be maintained for the long-term if their benefits are to be realized.

But there is more. Risks abound. There is risk that long-term investment returns may prove insufficient to meet our asset growth assumptions. Benefit growth and their corresponding liabilities might outpace our actuarial forecasts. There is

risk that life expectancies might improve further and more quickly than assumed. Also, alternative demands on public resources might force on policy makers the difficult fiscal choice between funding owed benefits or addressing

other pressing social needs.

Of course, the above described risks could move in our favor. Prudence requires that we develop strategies to minimize negative outcomes while hoping for the best. Hope, however, is widely acknowledged as not constituting a plan.

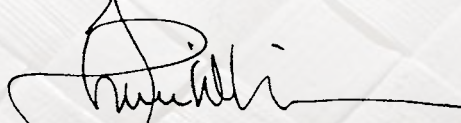
This backdrop explains at least in part why we are ceaseless in our efforts to identify and then mitigate the myriad observable risks to our plan, irrespective of the dimensions in which they might present themselves.

Prudence requires that we develop strategies to minimize negative outcomes while hoping for the best.

Yes, of course, we attempt first to lower our plan's investment risk profile through a number of sophisticated asset allocation and investment decisions. We believe a further yet thoughtful investment in talent and tools will serve to better insulate our program from the uncertainties virtually all plans such as ours must face, while yielding dividends that will allow us to more aggressively offset our unfunded liabilities. Amongst our multiple initiatives, we're committed to demonstrating through a well-developed strategic investment plan the virtues to be derived from such an investment. And, we know them to be formidable.

We hear the calls for cost containment and reduction of our unfunded liabilities. They are not to be ignored. So, you will find us willing, even eager to engage in discussion with all our stakeholders around those reasonable and balanced approaches toward achieving enhanced sustainability while preserving the vital role our plan plays in the lives of our members and the economic well-being of our State.

Mahalo,



Thom Williams

Continued from Cover

the state essentially completed its contributions for the fiscal year before the fourth quarter began.

“Our benefit payments are about \$120 million a month, and we also get contributions from the counties, but the state frontloads its contribution,” Hodel said. “The state contributes around \$600 million a year, and the counties \$250 million to \$260 million that is paid regularly every month. Members also contribute. So the ERS pays out about \$1.5 billion in benefits a year, and we take in less than \$1.2 billion, with the state contributing more than half of that and the members and counties about a quarter each.”

The ERS portfolio matched its benchmark return for the year and saw all of its investment categories exceed their benchmarks.

“Overall it was a great fiscal year for corporate earnings growth, particularly in the U.S. (helped by the federal tax cut that took effect in January),” Hodel said. “Seventy-five percent of our assets are in broad growth.

We're very happy with the results, and we also brought down the risk in the portfolio quite a bit this year. The volatility in the portfolio was much lower than two or three years ago.”

Article Courtesy of Honolulu Star-Advertiser 15 August 2018

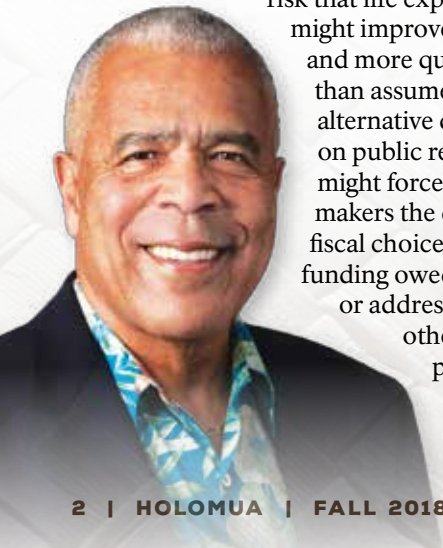
Online Info Update

The ERS has updated its website with member information as of **August 2018**.

The updated online information is for active members in the Contributory, Noncontributory and Hybrid plans.

Retirement information and account balances may vary between members due to payroll lags and adjustments. Help us ensure that we have the most accurate information possible by logging on to the website at <http://ers.ehawaii.gov> and click on “Member Information (Active Members Only)”.

To report any discrepancies with your account information, click on the link to the form, and print and mail the completed form 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.





Report from Howard Hodel, CFA Acting Chief Investment Officer

Aloha Kākou,

I'm pleased to report that we had a solid performance for the 2018 fiscal year, posting a 7.7 percent return, which exceeded our target rate of return of seven percent and matched our policy benchmark return. This excess return versus target of 70 basis points may not seem like much, but it added about \$120 million to our portfolio, and that reduces our unfunded liability.

Importantly, these results were achieved with lower volatility than one would normally expect due to our ongoing portfolio restructuring which is diversifying our sources of return. At the end of August, the ERS portfolio stood at \$17 billion and, although it's early in the current fiscal year, results continue to be encouraging as we're on pace to exceed both our target and benchmark returns once again. This result is the combination of favorable capital markets, which come and go, and prudent portfolio structuring, which is here to stay.

I'm pleased to report that we had a solid performance for the 2018 fiscal year, posting a 7.7 percent return, which exceeded our target rate of return of seven percent and matched our policy benchmark return.

In my last article, I explained our steps over the past three years to methodically build a "Risk Aware" portfolio that groups strategies together based on their predominant risk factors and utilizes strategies which automatically adjust our risk exposures to changing market conditions. In this article, I'm going to talk a bit more about our investment staff, what we're working on now, and what's in store for the future.

Let me start with our investment team. We've had our current team together for nearly five years now. Three investment officers and two investment specialists, supported by two administrative staff.

Aaron Au is the Illiquid Markets Investment Officer with responsibility for our private growth investments, which include private equity, real estate, infrastructure and timber.

Anthony Goo is the Liquid Markets Investment Officer with oversight of our public growth, public real return, and principal protection strategies that encompass equity, fixed income, and equity-option writing strategies.

I'm the Risk Management Officer, charged with assessing, monitoring, and improving risk management for the total portfolio, as well as serving as the Crisis Risk Offset manager overseeing the liquid, diversifying strategies designed to provide downside protection to the portfolio.

The total combined investment experience for these three officers is over 100 years. The two investment specialists, Andrew Chen and Ian Wetzel, who are generalists supporting all of the officers, are also well-seasoned with over 25 years of combined experience. The two

administrative staff supporting the group, Wanda Kugiya and Gerri Konishi, are long-time employees of the State and very experienced in making sure everything behind the scenes gets done in the right way. So rest assured, your retirement assets

are in very good hands.

You may wonder what we do all day. We put in long hours starting as early as 6 a.m. Each day, we receive and monitor all sorts of data, including stock and bond market values, news articles and investment research papers, and various portfolio metrics to ensure that our managers and our portfolio are in compliance with our guidelines and performing as expected. We continuously review the portfolio for risk exposures to make sure they align with our risk budgets, and look for rebalancing opportunities when allocations are not consistent with our policy or our views on the market.

We're continuously evaluating new investments, particularly in the private markets area where we are currently committing to invest nearly \$1 billion each year. And of course, we're talking to our portfolio managers about issues or new ideas as well as periodically visiting them onsite, having meetings with potential managers, working on budgets and plans, compiling reports for our Trustees, and taking care of administrative duties far too numerous to list here.

Right now, we're concentrating on refining our stabilized growth and crisis risk offset strategies, building out our private growth portfolio (real estate, private equity and infrastructure holdings), and preparing to launch our portfolio implementation overlay and currency hedging program. Next year, we'll turn to building out our real return strategies including agriculture and commodities.

Finally, for the past seven months I've had the pleasure to lead this very talented and hard-working team of seven. I'm about to turn over the reins of the Investment Office to Elizabeth Burton, a talented investment professional whose investment experience will further enhance our team as she builds out the group to manage a portfolio that is expected to double in 14 years to \$34 billion; and, if our actuary's assumptions turn out to be accurate, we will continue on a path toward full funding at \$60 billion in 2043.

Mahalo,
Howard Hodel, CFA
Acting Chief Investment Officer

UA 'IKE ANEI 'OUKOU? DID YOU KNOW?

Did you know that beginning in **July 2020**, the ERS will be authorized to pay ERS-qualified domestic relations (ordered) benefits to alternate payees? Although not currently available, information about ERS-qualified Hawaii Domestic Relations Orders will be accessible on our ERS website **after July 1, 2020**.

ACTIVE MEMBERS

ERS Brown Bag Sessions

Remaining ERS Brown Bags for 2018:

Just a friendly reminder: ERS has only two remaining sessions left for the Contributory and Hybrid Tier 2 (membership date after June 30, 2012) plans. If you have not signed up, please call our office at 586-1735 no later than one week prior to the session to register.

DATE	RETIREMENT PLAN	TIME	LOCATION
Tuesday, October 16	Contributory	11:30am to 12:30pm	City Financial Tower – ERS 201 Merchant Street, Suite 1400
Tuesday, October 30	Hybrid - Tier 2		

There is limited validated parking in our building. Feel free to bring your lunch!



Rhoda (middle) with Dayle Ishii (left) and Kirsten Chong (right)

Happy Retirement to Big Island's Rhoda Miyashiro

The Big Island has suffered many losses over the past few months. Many have been devastating and tragic. One loss, however, is both bitter and sweet.

Rhoda Miyashiro, Hawaii Island liaison for the Employees' Retirement System (ERS), retired on August 1st after more than 42 years of State service. After previous employments with the Department of Education and the Department of Health, Rhoda opened the ERS Hawaii Island Office in November 1990.

Rhoda provided excellent membership service ranging from retirement counseling, conducting workshops, and providing ERS death, disability and retirement benefit assistance. More importantly, she diligently served ERS members from Hilo to Kona and points in between with her professionalism. Hawaii Island employees and retirees of the State and County were the fortunate beneficiaries of her knowledge, responsiveness and sincere dedication. Many have voiced their appreciation of her competence and commitment and, upon learning of her retirement, their sadness in losing a reliable source of retirement information and support.

After many years of managing a one-person office, Dayle Ishii and Kirsten Chong, Retirement Claims Examiners, joined Rhoda in 2004 and 2016, respectively. Rhoda taught them well and the Big Island community and the members and retirees of the ERS will continue to be in good hands.

Rhoda, your ERS Ohana and the entire membership thank you for your years of public service and wish you a fulfilling, well-deserved retirement!

Act 86 Purchase of Service Cost to Increase

Effective July 1, 2020, Act 86/SLH 2015 will change the method of calculating the cost of purchasing previous service to an actuarially-neutral cost. Rather than having the cost based solely on the number of months purchased, salary and contribution rate, purchase cost will be based on the number of months purchased, the member's age, proximity to retirement eligibility, ERS's investment yield rate and various other factors. Those members who are closer to retirement and will reap the benefits of the additional service sooner, will pay more for the lifetime increase to their retirement pension.

All Contributory and Hybrid members who are on authorized leave without pay (LWOP) should claim and purchase their service within one year after their return from leave. To clarify the one-year purchase deadline, the start of the year would be the date the ERS certifies this service. Also, effective June 30, 2016, all members must claim their previous service within one year after the member enters service.

You may also purchase any previously refunded Contributory service earned and forfeited prior to your membership date. To confirm your membership date, refer to our website at <http://ers.hawaii.gov> under Member Information. Please note that we will not certify any service that was not

originally eligible for ERS membership such as a period of substitute teaching, or employment as an 89-day emergency hire, graduate assistant, or any short-term/temporary appointments of three months or less.

Currently, the cost to purchase previous service is based on a member's salary and contribution rate. For example, a 55 year-old Tier I Hybrid plan member with 25 years of service and an annual salary of \$60,000 will pay \$7,200 for 24 months of service ($\$5000 \times 6\% \times 24$ months). After June 30, 2020, the purchase cost will be actuarially determined at approximately \$56,300, which will take into consideration the member's current age, the investment yield rate, retirement eligibility age, and other actuarial assumptions. However, if this Hybrid member with the same salary was age 35 with 10 years of service, the actuarially determined cost will be approximately \$18,100.

If you have already submitted a claim for service, the ERS plans to certify your purchasable service before the end of the year. If you have not, please complete the "ERS 243 Member Information Form" on our website under Members > Member Forms > Miscellaneous. Should you have any questions, contact our Call Center at (808) 586-1735.

Employees' Retirement System of the State of Hawaii names Elizabeth Burton as New Chief Investment Officer

The Board of Trustees of the Employees' Retirement System of the State of Hawaii (ERS) is pleased to announce that Elizabeth Burton, Managing Director of the Quantitative Strategies Group at the Maryland State Retirement Agency, has accepted the position of Chief Investment Officer of the ERS, effective October 1, 2018.

"Ms. Burton is dynamic and highly regarded by her peers in the investment community. We are confident that Ms. Burton will serve our state and county members, retirees and beneficiaries well."

– CATHERINE CHAN

Using the services of Kumabe HR, an executive search firm, ERS Trustees conducted a national search that generated an exceptional list of well-qualified candidates. The trustees concluded that Ms. Burton's extensive financial and consulting experience in both the public and private sectors make her uniquely qualified for the position.

"Ms. Burton is dynamic and highly regarded by her peers in the investment community," said Catherine Chan, chair of the search committee. "We are confident that Ms. Burton will serve our state and county members, retirees and beneficiaries well."

Ms. Burton previously owned William Street Advisory—a strategic advisory practice she founded in 2013. Prior to that, she served as a senior economist with Criterion Economics, and was a consultant at First Annapolis where she worked on mergers and acquisitions. Ms. Burton has worked as a co-portfolio manager and quantitative risk analyst with a South Africa-based fund of hedge funds, a trader in fixed income securities for a risk management firm, and a portfolio management associate with a quant-focused fund of hedge funds.

Ms. Burton is also a Chartered Alternative Investment Analyst charter holder and was named one of Chief Investment Officer Magazine's Top-40-Under-40.

"I am honored and excited to be joining Hawaii ERS," said Ms. Burton in accepting the position. "I am looking forward to being a part of a high quality team with Thom, the Board, and a very talented investment staff, to continue the incredible work they have been doing. I am very fortunate to have the opportunity to bring my passion and experience to serve the State of Hawaii and its pension beneficiaries, to secure a bright future. Aloha!"

ERS assets of \$16.5 billion support annual benefit payments in excess of \$1.3 billion to over 46,000 pensioners and their beneficiaries. With a total state and county membership of over 138,000, the ERS relies on its

sustained assets to provide retirement, disability and death benefits to active, retired and vested members.

The System initiated its nation-wide search for a new chief investment officer in March. "I could not be more pleased with the Board's selection of Elizabeth Burton to head our investment team," stated Thomas Williams, Executive Director of the ERS.

"The ERS Board and staff are looking forward to working with Ms.

Burton, and we are confident that her broad and extensive experience will be a valuable asset to the ERS as we develop next generation investment competency within the System."

For more information about the Employees' Retirement System of the State of Hawaii visit ERS's website at <http://ers.ehawaii.gov>.

Elizabeth Burton



2018 Fall Filing Sessions

We would like to remind Oahu members that appointments are filling up quickly for our Fall Filing Sessions. If you plan to retire on **November 1, December 1, or December 31 of 2018**, you must file your application by the deadline indicated below in the 'Notable Dates' section.

If you have not already done so, contact our office at (808) 586-1735 to schedule your appointment. Below are the dates for the remaining filing sessions.

For Neighbor Island members, please contact our staff on your island directly for an appointment.

FILING SESSION DATES	NOTABLE DATES
October: 1, 2, 8, 9, 10, 11, 12, 17, 19, 24, 26, 31	October 2 = Last day to file for Nov. 1
November: 1, 7, 9, 14, 16, 19, 21, 28, 29, 30	November 1 = Last day to file for Dec. 1 November 30 = Last day to file for Dec. 31

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

Mail Order

Want to avoid making that extra trip to the pharmacy for your medication, and save \$\$\$ in the process? Sign up for mail order today! There are three ways to sign up:

FOR ACTIVE & RETIREES

- **Online.** The easiest way to start mail order is to sign up

online. Create an online account either by downloading the mobile app (CVS Caremark or Kaiser Permanente) or through their website (Caremark.com or kp.org). After your CVS Caremark account is created, simply select "Start Mail Service," take a photo of your written prescription or prescription label, update your contact and payment information, and tap on "Start Mail Service." After your kp.org account is created, visit kp.org/rxrefill, choose the prescription(s) that you would like filled via mail order, and submit.

- **In person.** CVS/SilverScript members can ask their physicians to submit prescriptions directly to mail order. Your physician can call 1-877-418-4130 and select option 2; fax a prescription to 1-800-378-0323; or submit an electronic prescription to 1-877-864-7744. A CVS/SilverScript technician will contact you

to validate your delivery address. Kaiser members can request mail order at their local clinic pharmacy.

- **Phone.** CVS/SilverScript members can call customer service toll free at 1-855-801-8263 (CVS) or 1-877-878-5715 (SilverScript) to sign up. Kaiser members can also sign up by calling 1-808-643-7979 and speaking with a live representative who will verify your mailing address, phone number, and payment information.

Medication Synchronization

If you have two or more prescriptions and want to fill them at the same time, ask your pharmacy to synchronize your prescriptions. To align the timing of your prescription refills, the pharmacy may prorate the quantity of one or more prescriptions and prorate your copayment for those prescription(s) less than a 30 day supply. You will then pay the lesser of the prorated copayment and the cost of the drug. Synchronizing your prescription refills provides the convenience of picking up your prescriptions or having them delivered through mail order all at the same time.

Supporting Documents Requirement Reminder

All supporting documents (e.g. mar-

riage certificates, birth certificates for dependents with a last name different from the employee, and letters indicating a loss of coverage or acquisition of coverage) must be received by the EUTF before an enrollment form is processed.

Dependent Eligibility

Please provide written notification to the EUTF of changes that may affect your or your dependent's eligibility, such as divorce, remarriage of surviving spouses, loss of dependent full-time student status, or a retiree's return to work. Notification of such events should be documented on an EC-1 Enrollment Form for active employees and submitted to designated personnel or an EC-2 Enrollment Form for retirees and mailed to EUTF, 201 Merchant St., Suite 1700, Honolulu, HI 96813.

The EUTF will routinely perform eligibility audits to identify ineligible members. Remaining on EUTF plans if ineligible or failure to remove ineligible dependents in a timely manner will result in termination of coverage and collection by the EUTF of prior amounts paid by the employers on behalf of ineligible members.

In addition, you must re-certify your domestic partner if added to a plan, even though you may have a certification on file. EUTF will also conduct domestic partner periodic re-certification audits.

Open Enrollment

Are you looking to add or drop a dependent? Change, add or drop health benefit plans? Now is your opportunity to do so during retiree open enrollment, October 9 through October 31, 2018.

FOR RETIREES

Changes made during open enrollment will be effective January 1, 2019. Retirees will be mailed a Retiree Reference Guide the last week of September. If you do not receive your Reference Guide by October 9, 2018, 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.

EUTF and HSTA VB Retiree HMSA Plans

Effective January 1, 2019

The Diabetes Prevention Program benefit will be added at a \$0 copayment in-network and in Hawaii not subject to the deductible, limited to once per lifetime. For Medicare retirees and dependents, the Diabetes Prevention Program is covered under Medicare if provided by an in-network provider recognized by the Centers for Disease Control and Prevention (CDC) and Centers for Medicare and Medicaid Services (CMS).

A genetic counseling benefit will be added at 20% (10% HSTA VB retirees) coinsurance in-network not subject to the deductible, and 30% coinsurance after the deductible out-of-network.

The advance care planning benefit will change to a \$0 copayment in-network not subject to the deductible, and 10% coinsurance out-of-network not subject to the deductible (30% HSTA VB retirees out-of-network after the deductible).

VSP Vision Plan

Effective January 1, 2019

The frame allowance of \$120 plus 20% off remaining cost (every other plan year) will apply to all in-network providers, including Costco, Sam's Club, and Walmart. Sam's Club and Walmart are joining the VSP network January 1, 2019.

Securian Life Insurance Plan

Effective January 1, 2019

Securian Financial, an affiliate of Minnesota Life Insurance Company, will be the group life insurance provider, effective January 1, 2019. The life insurance benefit for retirees will change from \$2,235 to \$1,815. An accelerated death benefit (early payment of the \$1,815 benefit upon request) will be added for those diagnosed as terminally ill with a life expectancy of 12 months or less. If you wish to keep your current beneficiary designation, no action is needed. Beginning January 1, 2019, if

Pre-Retirement Health Benefits Workshops

Sign-up for a Pre-Retirement Health Benefits Workshop and learn about EUTF retiree health benefits. Whether you plan to retire in a few

months or a few years from now, join us for a 45-minute presentation to learn about applying for your EUTF retiree health insurance plans.

To register, email eutf.outreach@hawaii.gov. Space is limited, and on a first come, first served basis. Attendees must coordinate job schedules in order to attend the workshop on their own time.

Topics covered will include:

- Dependent Eligibility
- Medicare
- Premiums and Contributions
- Health Plan Options
- Completing the EC-2 Enrollment Form
- Making Changes to Your Plans
- Differences between active employee and retiree plans

FOR ACTIVE MEMBERS

DATE	ISLAND	LOCATION	TIME
09/05/18	Oahu	EUTF Office, 201 Merchant Street, Suite 1700	11-11:45am, 12:30-1:15pm
09/11/18	All	Webinar*	11-11:45am, 12:30-1:15pm
10/09/18	Oahu	Aloha Stadium – Hospitality Room	11-11:45am, 3:30-4:15pm
10/10/18	Oahu	Leeward Community College Education Building, Room 201 A & B	11-11:45am, 3:30-4:15pm
10/11/18	Molokai	Kualapuu Park & Community Center	11-11:45am, 12:30-1:15pm
10/16/18	Kona	West Hawaii Civic Center Community Meeting Hale, Building G	11-11:45am, 3:30-4:15pm
10/17/18	Kauai	Kauai War Memorial – Exhibit Hall	3:30-4:15pm
10/18/18	Lanai	Lanai Community Center	12:15-1pm
10/19/18	Oahu	Windward Community College – Hale Kuhina, Room115	11-11:45am, 3:30-4:15pm
10/23/18	Hilo	Aunty Sally Kaleohano’s Luau Hale	3:30-4:15pm
10/25/18	Maui	UH Maui College – Kaaike Building, Room 105 B, C & D	3:30-4:15pm
11/02/18	Oahu	EUTF Office, 201 Merchant Street, Suite 1700	11-11:45am, 12:30-1:15pm
11/08/18	All	Webinar*	11-11:45am, 12:30-1:15pm
12/04/18	Oahu	EUTF Office, 201 Merchant Street, Suite 1700	11-11:45am, 12:30-1:15pm

*To access the webinar, go to eutf.hawaii.gov and select “Learning Center” in the menu bar. Click on “Webinars” and select the desired webinar.

you want to update your beneficiary designation, visit LifeBenefits.com/EUTF to download the form. Complete and submit the form to Securian via fax or mail, as noted on the form.

If you have any questions regarding these benefit changes, please contact HMSA (948-6499 on Oahu or toll free at 1-800-776-4672), VSP (toll free 1-800-877-7195), or Securian (877-291-8466).

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, select FORMS, RETIREES, ENROLLMENT/UPDATE YOUR INFO and select the “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 Retirees be mailed to you.

Medicare Part B Reimbursement

If you received a postcard in early August from the EUTF asking you to submit a copy of your Social Security Administration (SSA) letter or Centers for Medicare and Medicaid Services (CMS) invoice for 2017 and 2018 to support the amount of your Medicare Part B premiums, it was because you were currently receiving a reimbursement

of Medicare Part B premiums from the EUTF of \$104.90 or less.

If you submit your SSA letter or CMS invoice related to your 2018 Medicare Part B premiums to the EUTF by November 15, 2018, you will receive an adjustment for all of 2018 in your quarterly December 31, 2018 Medicare Part B reimbursement from the EUTF (if you have not received the adjustment already). You may contact EUTF after January 1, 2019, at 586-7390 or toll-free 1-800-295-0089, if you do not receive your adjusted amount for 2018.

If you submit your SSA letter, CMS invoice, or SSA-1099 form related to your 2017 Medicare Part B premiums to the EUTF by May 15, 2019, you will receive an adjustment for all of 2017 in your quarterly June 30, 2019 Medicare Part B reimbursement from the EUTF. You may contact EUTF after July 1, 2019, if you do not receive your adjusted amount for 2017.

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IMPORTANT

The EUTF is a separate organization from the ERS. If you have any questions about information in these articles, please contact the EUTF directly. Contact information: (808) 586-7390, 1 (800) 295-0089 toll free; email: eutf@hawaii.gov



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 & Lāna'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.hawaii.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

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FALL 2018

HOLOMUA
RETIREES & ACTIVE MEMBERS

NEWS FROM THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND (EUTF) – CONTINUED

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HMSA Medicare Retirees with the EUTF Medicare Retiree Prescription Drug Plan (Administered by SilverScript) – Medicare Part D Vaccinations

Certain vaccinations are covered under the EUTF and HSTA VB Medicare prescription drug plans (administered by SilverScript) as required by Medicare Part D, including vaccinations for hepatitis A, measles, mumps, and rubella (MMR), and shingles. For these vaccinations, the EUTF and HSTA VB prescription drug plans pay first and the EUTF and HSTA VB HMSA medical plans pay second. As a result, if you are required to pay a copayment (generally \$30 for EUTF members and \$9 for HSTA VB members), you are entitled to a reimbursement from the HMSA medical plan.

Received at a Pharmacy

If you receive a Part D vaccination at a pharmacy, inform the pharmacist that you are also covered under an HMSA plan and request that the pharmacy submit a claim for your copayment to HMSA. If the pharmacist submits the claim to HMSA, you should not have to pay anything. If the pharmacist does not, you will be charged a copayment and will need to submit a reimbursement request to HMSA within one year from the date of service. On your reimbursement request include the

pharmacy prescription tag and the cash register receipt. If missing either or both, include a copy of your SilverScript Explanation of Benefits (EOB). Send proof of payment along with your name, HMSA member ID number, and date of birth to: HMSA, P.O. Box 860, Attn: 7 CR, Honolulu, HI 96808-0860, OR scan and email to: customer-service@hmsa.com. Please allow two weeks for HMSA to send your reimbursement.

Received from Physician

If you receive a Part D vaccination from your physician, you will be charged the full cost of the vaccination plus an administration fee. To receive reimbursement from SilverScript for the cost of the vaccination and the administration fee (less your copayment), you must complete and submit a claim form (which you can download from eutf.silverscript.com/Documents.aspx) along with your invoice to SilverScript, within 12 months from the date of service.

On the claim form: Check yes, the medicine is covered under other group insurance and that the other coverage is secondary. List HMSA as the name of the insurance company and include your HMSA member ID number. Once completed, mail to the address indicated on the form.

To receive reimbursement for your copayment from HMSA, you must submit the invoice from SilverScript, showing your copayment, within one year from the date of service to HMSA at the address or email described above.

If you have any questions regarding coverage of Part D vaccinations, please contact HMSA (948-6499 on Oahu or toll free at 1-800-776-4672) or SilverScript (toll free 1-877-878-5715).