

HOLOMUA

RETIREES & ACTIVE MEMBERS

SUMMER 2019

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2019 Legislative Update

The 2019 Legislative Session concluded on May 2, with the following ERS-initiated legislation passed by the legislature and transmitted to the Governor on May 2nd.

H.B. 981, H.D. 1, S.D. 1, C.D. 1

Relating to the Employees' Retirement System

H.B. 981, C.D. 1 will amend Sections 88-6 and 88-106, HRS to strengthen the ERS's ability to recover overpayments by declaring overpayments to be debts due and owing to ERS, clarifying that overpayments are legally collectable. This will facilitate rulemaking for maximum recovery, the filing of legal collection actions and liens against real property of overpaid recipients, and the filing of claims against an erroneous recipient or the estate of a deceased recipient. This bill also provides the Board of Trustees or the Executive Director of the Employees' Retirement System with discretion to waive the recovery of overpayments in cases of bona fide hardship or where the costs

of recovery would exceed the amount expected to be recovered.

Primarily, overpayments of ERS benefits are the result of continued payments to deceased retirees and beneficiaries when the ERS is not notified about or was unable to ascertain the death of the recipient. As a defined benefit plan, the ERS provides lifetime benefits to its qualified members and beneficiaries and despite ERS efforts at overpayment recovery, there are over \$100,000 in overpayments per year. The authority and enforcement proposed by H.B. 981, C.D. 1 will strengthen ERS's ability to pursue and recover benefits that should be retained and protected for the rightful members and beneficiaries of the System.

Effective: Upon approval

The ERS Board of Trustees and ERS Staff acknowledge the Legislature, Governor Ige and the Department of Budget and Finance for their support during this legislative session. The above Act and other legislation may be reviewed on the Hawaii State Legislature website at www.capitol.hawaii.gov.

WORKING TO FULFILL YOUR RETIREMENT DREAMS

Budget and Finance Employee of the Year: **Jennifer Tanaka**

The ERS is pleased to announce that on April 12, Accounting Branch Disbursements and Benefits Section (DABS) Supervisor, Jennifer Tanaka, was selected as the 2019 Employee of the Year for the Department of Budget and Finance.

Jennifer has been the DABS Supervisor for the past 16 years. As the DABS Supervisor, she plans, organizes, directs, and controls the work activities of one Accountant and four Account Clerks; serves as a liaison within the Accounting Branch, other ERS sections, and State and County agencies; evaluates and proposes solutions to unprecedented issues; implements improvements to the internal controls over benefit payments and administrative expenses; plans, develops, coordinates, and

implements changes to the pension benefits program in the ERS computer system; analyzes and prepares financial reports that enable management to make informed decisions regarding expenditures; ensures that all federal income taxes withheld from benefit payments are properly accounted for and timely deposited in accordance with the Internal Revenue Service's (IRS) requirements; and coordinates the ERS's modifications for the annual tax informational returns (Form 1099-R) required to be distributed by the IRS every January.

Jennifer was nominated by the ERS because she has demonstrated the ability to meet both DABS objectives as well as ERS program objectives. She was recognized for her leadership skills, positive attitude, and



Robert Yu, Acting Director of Budget and Finance, Jennifer Tanaka, Governor Ige.

willingness to accept new challenges and responsibilities to improve the organization. Other key factors in her nomination are her creativity in finding solutions to problems, her ability to quickly adapt to changing circumstances, and willingness to share her superior knowledge and understanding of the ERS computer system with staff in other ERS sections.

In July 2016, the Work Report Team was transferred from the Retirement Benefits Branch (RBB) of the ERS to the Accounting Branch. The team processes all payroll transactions from the ERS employer entities and ensures that payroll transactions are reported timely and correctly as the salary information impacts estimated pension projections, death payments, refund transactions, and the determination of employer funding requirements. The Work Report Team is a joint effort between the RBB and Accounting Branch and consists of Account Clerks and Retirement Claims Examiners to draw on the expertise of both branches. Under Jennifer's direction, the team's activities were elevated to a higher level as it identified payroll reporting issues and worked with the State and County payroll departments to correct reported transactions.

Also significant are Jennifer's contributions at the annual ERS Employer Update briefings, where she continues to educate State and County payroll departments on reporting requirements. Effective July 1, 2020, Act 87/SLH 2015 requires all employer entities to report their payroll and personnel transactions electronically to the ERS. Jennifer also represented the ERS at HawaiiPay Project Team meetings to ensure the ERS payroll reporting requirements were known during the Department of Accounting and General Services' development of their new payroll system.

It is our pleasure to congratulate Jennifer Tanaka on her selection as the 2019 Employee of the Year for the Department of Budget and Finance.

Note: The ERS is an attached agency of the Department of Budget and Finance.

Message from the Executive Director **Effective Governance**

The activities of which I write are focused, more often than not, on those which are led by operational, investment and administrative staff. Equally, if not more important, are those initiatives undertaken and directed by the ERS Board of Trustees. Our Board, comprised of eight members, four of whom are elected, three of whom are appointed by the Governor and the statutory inclusion of the Director of Budget and Finance, is charged with the fiduciary oversight and administration of the State's retirement plan.

With trustee elections scheduled for this Fall, I am reminded of the tremendous responsibility and level of

commitment we demand of our trustees. Apart from overseeing approximately \$17 billion in assets, they must acquire legal, actuarial, tax, regulatory, investment and benefit plan design knowledge, for starters! They must cast a discerning eye on the plan's

current condition while simultaneously focusing on its long-term future.

The Board achieves this needed balance, in part, through establishment of effective governance policies and procedures. Unwilling to rely on its relative success to date, the Board has decided to undertake a full review and assessment of its governance policies and practices, the goal of which is to assure our plan is optimally responsive to our member's best interest, now and into the future.

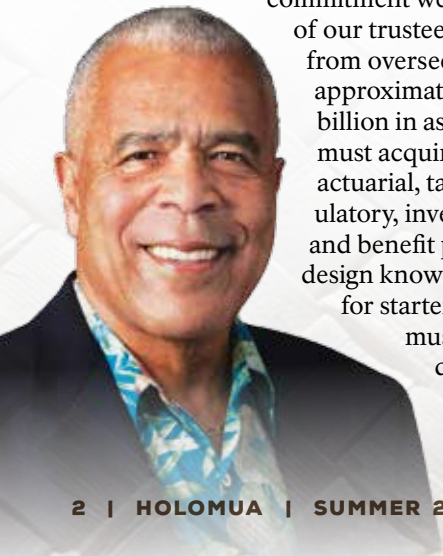
Good governance adds value while inefficient or poor governance detracts. With that in mind, the Board, over the next few months, will engage in a thorough evaluation of its performance and effectiveness. This process will ensure it has the skills and capacity to provide appropriate oversight, risk management and strategic guidance. At the same time, a plan will be developed to fill any gaps and to identify opportunities for improvement.

The Board is committed to pursue every avenue toward plan sustainability. Its "best in class" governance initiative represents an important path toward achievement of that goal.

Mahalo,

A handwritten signature in black ink, appearing to read "Thom Williams".

Thom Williams



Report from Elizabeth T. Burton, CAIA, Chief Investment Officer

Aloha Kākou,

The first quarter of calendar year 2019 has been a tremendous boon for equities with the S&P 500 finishing up over 13 percent with all three months posting positive returns. Many of the concerns that jolted the markets in Q4 2018 were abated in Q1—the government shutdown ended, US-China trade talks made progress, and perhaps most impactfully the US Fed pivoted towards a dovish stance. While oil and equities profited from these events, the bond market experienced different results as the yield curve briefly inverted (short-term rates higher than longer-term rates—often a leading indicator of a recession), leading many investors to ask: Who is right, the bond market or the stock market?

Staff Value Over Passive

CHART 1 | Portfolio Growth Compounded (In Billions)



No one can perfectly forecast the markets—even the most famous of investors, which is why we don't invest 100 percent in stocks (and therefore do not gain 13 percent along with the US equity market) and why we don't invest 100 percent in bonds (the Bloomberg Barclays US Aggregate Index gained 2.9 percent over the same time period). Our diversified portfolio, which returned 6.3 percent in Q1 (half the return of the US equity market but double the return of the US bond market), gives us the best chance of providing a stable return stream without forcing us to do the impossible—accurately predict the markets.

We evaluate our performance across several lenses: on an absolute basis (positive or negative), on a risk-adjusted basis (return per unit of risk taken), and on a relative basis (versus a benchmark). Our custom benchmark (“policy benchmark”) was constructed to monitor the total investment portfolio. Although it evolves over time, it is based on the target asset allocation set by the Board of Trustees. The policy benchmark is not the same as our

7.0 percent average annualized return target. We target 7.0 percent over a full market cycle on average, but in any given time period we aim to exceed our policy benchmark. Said another way, the policy benchmark mimics the performance of the broader markets like our actual portfolio, while the target return is a static long-term return target.

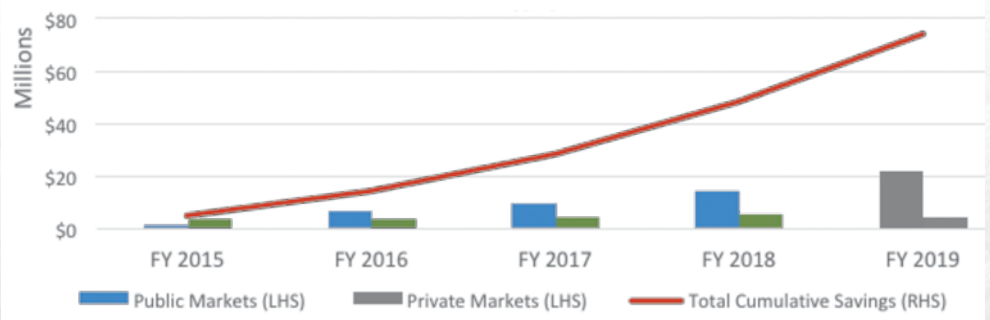
We are focused on returns not only because we are investors at heart, but more importantly because we are driven by our mission to provide value to our beneficiaries. To that end I'd like to explain how our team is delivering value. Currently, every basis point (0.01 percent) of excess return above our 7.0 percent target return adds \$1.65 million of savings annually, which could be passed back to the state and still keep the ERS portfolio on the funding path. Although the fiscal

year-to-date gross return through the end of March is 2.5 percent, the excess return above the policy benchmark is 1.7 percent—adding about \$280 million of return so far, this fiscal year above the policy. Chart 1 illustrates the investment portfolio compounded value that staff has added over the passive policy benchmark over the past five years.

Since the current iteration of our invest-

Staff-Negotiated Fee Savings

CHART 3 | Excludes Consultant Aggregation Discounts (In Millions)



Estimated Portfolio Outperformance Over Policy Benchmark

CHART 2 | (In Millions)



ment staff was established with the ERS five years ago, we have added over 90 basis points (0.9%) in annualized excess return. If we earned only one basis point (0.01%) of excess performance (plan performance minus policy performance) from the beginning of our fiscal year (July 2018) through full funding in 2043, our investment team would save taxpayers approximately \$190 million. If we earn 100 basis points (1.0%) of excess performance, we could shave contributions by \$19 billion if the State left the excess capital in the fund to compound until 2043. 100 basis points (1.0%) of excess return per year would reduce the time to full funding by 6 years—from 2043 to 2037. The multiplier effect of our performance is fivefold—one dollar of excess performance in fiscal year 2019 translates to \$5 in 2043 when full funding is projected to be achieved. In addition, the cost savings our team negotiates adds roughly five basis points (0.05%) annually—or \$8.2 million per year. Chart 3 shows the cumulative effects of fee discounts amounting to over \$70 million since fiscal year 2015.

Thank you for allowing me to serve you as your Chief Investment Officer. I am honored by the opportunity.

Mahalo,
Elizabeth T. Burton, CAIA
Chief Investment Officer

Pew Charitable Trusts: Employer Funding Strategy Leads to More Resilient ERS

The annual Employees' Retirement System (ERS) fund assets "stress test" in 2018 indicates steps taken to boost employer and employee contributions to Hawaii's public

FOR ACTIVE & RETIREES

workers' pension fund have funding projections in a better position for the future, according to an article published by The Pew Charitable Trusts in March.

The stress test looks at a variety of scenarios for economic projections to provide insight into potential liabilities and costs to the pension fund and protect it from market volatility. In 2017, Hawaii lawmakers passed legislation requiring the annual stress test report. GRS Retirement Consulting, the actuary of the ERS, completed the 2018 Hawaii report.

In 2017, ERS reported \$15.7 billion in assets to cover \$28.6 billion in liabilities for the pensions of current and future retir-

ees. The State Legislature enacted changes to increase State and County employers' contributions annually over four years. For general employees, contributions rose from 17 percent of payroll in 2017 to 24 percent in 2020 and on, and from 25 percent to 41 percent of payroll for police officers, firefighters, and contributory water safety officers and corrections officers over the same period. Contributions will remain at these levels until the system is fully funded. Higher contributions were also required for employees who became members of the system after June 30, 2012.

The stress test report indicated that with the contribution policies and annual return assumption of 7 percent the pension should be fully funded in fiscal year 2044. The report also indicated if actual returns were lower at 5 percent each year, the state would need to increase contributions to stay on a path to a fully funded system by 2047. But even with 5 percent returns, the

system's funded ratio would stay around 56 percent.

According to the Pew article, "The Pew Charitable Trusts independently examined Hawaii's stress testing analysis and found similar results. The outcomes underscored how the increased pension contributions required by the 2017 reforms should protect the system from insolvency."

Pew, an independent, nonprofit organization, does public policy research, including pension reform research, and specifically on the issue of restricting defined-benefit pensions.

Pew article: <https://www.pewtrusts.org/en/research-and-analysis/articles/2019/03/29/hawaiis-pension-fund-positioned-to-withstand-next-recession>

Letter to the Hawaii Legislature from the Department of Budget and Finance regarding Actuarial Asset and Liability Stress Test 2018: <http://ers.ehawaii.gov/wp-content/uploads/2018/12/Stress-Test-2018.pdf>

ACTIVE MEMBERS

ERS Brown Bag Sessions

Find below our Fall 2019 Oahu Brown Bag sessions:

DATE	RETIREMENT PLAN	DID YOU KNOW?
Tuesday, August 6	Hybrid (Tier 1)	Your unused sick leave for additional service credit may be credited at both 1.25% and 2%.
Tuesday, August 20	Noncontributory	No beneficiary designation is required as an active (in service) member.
Thursday, September 5	Hybrid (Tier 1)	Your upgraded 1.25% service will be calculated at 2% which includes your unused sick leave at retirement.
Thursday, September 19	Noncontributory	You must designate a beneficiary for your retirement option selection.
Friday, October 4	Contributory	You may want to consider designating only one beneficiary, spouse, if married while you continue to work.
Wednesday, October 23	Hybrid (Tier 2)	Any refunded Hybrid service cannot be acquired upon returning to State or County service.

All sessions are held from 11:30 a.m. to 12:30 p.m. at ERS in the City Financial Tower, Suite 1400 (14th floor). Please register to attend a session by calling our office at 586-1735 at least one week prior to the session. Each session is limited to 40 members. There is also limited validated parking in our building. Feel free to bring your lunch too!

Post-Retirement Increase Due in July 2019

Qualified retirees and beneficiaries with retirement dates in 2018 and earlier will receive their annual post-retirement increase in July.

RETIRED MEMBERS

You may recall that **increases of 2.5 percent (for membership dates before July 1, 2012) and 1.5 percent (for membership dates on or after July 1, 2012)** are not compounded and are calculated on your base pension amount. Semi-monthly payees will receive their increase on **July 15**, while monthly payees will receive their increase on **July 31**.

Please keep the ERS payment statement you receive, because statements are only generated when there is a change in the pension amount. Your payment statement will show the gross payment amount, deductions withheld and the net payment amount. Confirm the net payment amount with the ERS deposit amount on your bank statement when you receive it.

Should you have any questions, please contact us at (808) 586-1735.

Trustee Election for Two Board Members

On June 25, nominations of candidates for the election of two seats on the Board of Trustees of the Employees' Retirement System closed. One seat is for a general employee and one seat is for a retiree

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of the System. The term for each seat is six years, beginning January 2, 2020.

The Board of Trustees is the governing body of the ERS and is comprised of eight members, four of which are elected by the membership: two general employees, a teacher and a retiree. Of the four positions, the general employee and retiree position will be open for election. The other four positions of the eight-member board are appointed by the Governor: three are citizens of the State of Hawaii (one of whom is an officer of a bank authorized to do business in the State or a person of similar experience), and the fourth is the State Director of Finance who is an ex-officio member by statute.

As these elections are conducted by mail-in ballots, please ensure that the ERS has your most current address.

- Active members may update mailing addresses through the personnel offices of your respective departments.
- Retirees and terminated vested members may have mailing addresses updated directly with the ERS. Please refer to the ERS website at ers.hawaii.gov and refer to the ERS-211 Mailing Address Change form found under: Retirees > Pension Forms.

Our expected ballot mail out will be in September. All members of the ERS – active members, retirees, former members with vested benefit status – are eligible to vote and should receive a ballot. Candidates will be profiled in the Fall *Holomua* and the new board members will be announced in our Spring *Holomua* in March 2020.

UA 'IKE ANEI 'OUKOU? DID YOU KNOW?

You may file for retirement from 150 days to 30 days prior to your effective date of retirement? Your retirement date may only be effective on the first of the month or December 31st. Please refer to this page for filing session dates and scheduling.

Cost Increase to Purchase Service Act 86/SLH 2015

ACTIVE MEMBERS

This is just a friendly reminder that the cost to purchase any eligible ERS refunded service or previous membership service, active duty military service, professional improvement leaves, and other authorized leaves periods will be actuarially calculated after June 30, 2020.

As a result, the purchase cost will increase as the actuarial calculation takes into consideration your age, retirement age eligibility requirements, the ERS's investment yield rate, and other actuarial assumptions.

At the right is an example for a 55 year-old Hybrid (Tier 1, membership date prior to July 1, 2012) member with 25 years of service, who is purchasing 2 years of service.

If you already submitted your Claim for Service, the ERS plans to send a notification soon. Due to volume of claims submitted, the ERS will allow 60 days to purchase your service based on your salary at the time your claim was submitted. Your claim can be submitted on the ERS 243 "Member Information Form," which is located on our website under Members>Member Forms>Miscellaneous.

For those with a membership date after June 30, 2016, all claims must be filed

Cost to Purchase Service

Years to Purchase: 2 Years

Prior to July 1, 2020

\$7200 (\$300 x 24 months)

\$300 cost per month =

\$5000 (Salary) x 6% (contribution rate)

Effective July 1, 2020

\$56,300 (actuarial calculation based on age and eligibility for retirement)

within one year of entering service or within a year when eligibility requirements are met. For purchasing military service, claims must be made within one year after the member meets the requirements to purchase. The start of the one-year purchase period would be the date the ERS certifies this service.

Please be advised that ERS does not certify any appointments for non-ERS eligible membership such as substitute teachers, 89-day emergency hires, graduate assistant, legislative session worker, or short-term/temporary appointments of three months or less.

If you have any questions, contact our Call Center at (808) 586-1735.

2019 Fall Filing Sessions

For Oahu members, **if you plan to retire on September 1, October 1, November 1, December 1, or December 31 2019, 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. Appointment times are 8:00 a.m., 9:15 a.m., 10:30 a.m., 1:00 p.m., and 2:15 p.m. Below are the dates for the filing sessions.

FILING SESSION DATES	NOTABLE DATES
July: 5, 9, 11, 17, 19, 23, 25, 29, 31	July 2 = Last day to file for Aug. 1
August: 2, 5, 7, 9, 13, 15, 21, 23, 27, 29	August 2 = Last day to file for Sept. 1 August 30 = Last day to file for Oct. 1
September: 4, 6, 10, 12, 18, 20, 24, 26, 30	
October: 7, 8, 9, 10, 11, 16, 18, 22, 24, 30	October 2 = Last day to file for Nov. 1
November: 1, 5, 7, 13, 15, 18, 20, 22, 25, 27	November 1 = Last day to file for Dec. 1 November 29 = Last day to file for Dec. 31
December: 3, 5	December 2 = Last day to file for Jan. 1

Contact us at (808) 586-1735 or visit our website for more information on the appointment schedule at <http://ers.hawaii.gov> under **Members > Retirement Planning**. For Neighbor Island members, please contact our staff on your island directly for an appointment.

Birth Certificate and Social Security Number Submission Required Beginning July 1, 2019

The EUTF will be requiring submission of birth certificate copies for all children added on **July 1, 2019 or later**.

FOR ACTIVE & RETIREES

Additionally, social security numbers will be

required for dependants added on **July 1, 2019 or later**. As a reminder, **active employees** must submit your EC-1 or EC-1H enrollment form with supporting documents to your designated personnel staff within 45 days of the event. **Retirees** must submit your EC-2 enrollment form with supporting documents within 45 days of the event to the EUTF by:

- **Mail or hand delivery:**
201 Merchant Street, Suite 1700
Honolulu, HI 96813
- **Fax: (808)586-2161**

The EUTF will not add new dependents to your EUTF coverage until the enrollment form and all supporting documents are received. Please see the EUTF Reference Guide at eutf.hawaii.gov for a listing of common qualifying events, policies regarding eligibility and enrollment, and supporting document requirements.



Mail Order Myths

Considering using mail order? If you have but have some concerns, hopefully the following will dispel some commonly held myths:

Myth: It costs more to use mail order.

Truth: There is no delivery fee when using mail order, and the same prescription drug copays apply as they do for prescriptions filled at a Retail 90 pharmacy. Additionally, the cost the plan is lower than at the retail pharmacy resulting in lower premiums over time.

Myth: It is inconvenient to use mail order because the mail order facility is located on the mainland.

Truth: CVS Caremark mail service pharmacy is located in Honolulu. All medications are delivered to your mailbox in an unmarked package. Refrigerated medications are shipped in a cooler pack that ensures manufacturer storage temperature is maintained for at least 48 hours.

Myth: Unlike retail pharmacies, there is no pharmacist that I can speak to when I have questions about my medications.

Truth: A pharmacist is available 24/7

when you call CVS Customer Care at the number listed below.

Myth: There are no advantages to using mail order over retail.

Truth: Mail order saves members time (no waiting in lines) and money (no transportation costs and lower costs to the plan).

Myth: If my prescription is stolen, I will not be able to receive my refill in time.

Truth: The CVS Caremark app or Caremark.com allows you to track your mail order prescription deliveries so that you can see when your prescription has been delivered. If your prescription is stolen, call CVS Customer Care at the number listed below and they will reorder your prescription immediately. If you are set up to receive automatic refills, they are usually delivered 2-3 weeks in advance of your current fill running out. Once Customer Care reorders your prescription, you should receive your prescription in 1-2 business days.

If you have any questions regarding mail order, please contact CVS (1-855-801-8263 toll-free).

Pre-Retirement Health Benefits Workshops

Whether you plan to retire in a few months or a few years from now, sign-up for our pre-retirement health benefits workshop and learn about EUTF retiree health benefits. Topics covered will include:

- **Dependent eligibility**
- **Medicare**
- **Premiums and contributions**
- **Health plan options**
- **Completing the EC-2 Enrollment Form**
- **Differences between active employee and retiree plans**

DATE	ISLAND	LOCATION	TIME
July 12, 2019	Oahu	EUTF Office	11:00-12:00 pm, 12:30-1:30 pm
July 18, 2019	All	Webinar*	11:00-12:00 pm, 12:30-1:30 pm
August 20, 2019	Oahu	EUTF Office	11:00-12:00 pm, 12:30-1:30 pm
August 23, 2019	All	Webinar*	11:00-12:00 pm, 12:30-1:30 pm
September 13, 2019	Oahu	EUTF Office	11:00-12:00 pm, 12:30-1:30 pm
September 20, 2019	All	Webinar*	11:00-12:00 pm, 12:30-1:30 pm

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

*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.

Total Health Assessment and Healthy Lifestyle Programs

Active Members

Take advantage of great benefits and earn up to \$100 in rewards by taking steps to a healthier you. Assess your health by taking a free online total health assessment — a simple online questionnaire to

KAISER MEMBERS

give you a complete look at your health — and earn a \$25 rewards gift card. Covered

spouses and domestic partners are eligible too. Answer questions about yourself and get a customized action plan to guide you through your wellness goals and help you feel your very best. Support your wellness goals and action plan with our healthy lifestyle programs. Once you receive your action plan based on the total health assessment results, you can earn an additional \$25 rewards gift card for each online healthy lifestyle program you complete, up to 3 programs per year. Choose from eight programs, such as losing weight, eating healthier, quitting smoking, reducing stress, and managing ongoing health conditions. Start today by visiting kp.org/eutf and click on “Reap the Rewards.”

Retirees

Take advantage of great benefits and resources for a healthier you. Start with a free total health assessment — a simple

Securian Life Insurance Plan

Securian Financial (Securian), the group life insurance carrier effective July 1, 2019, has an online feature newly available to EUTF members. You will now be able to view and/or change your beneficiary designation on Securian’s website LifeBenefits.com. Securian will be mailing a letter to all active employees in late July with your user ID and initial password to get started.

If you have any questions or need assistance with your beneficiary designation, please contact Securian at 1-877-291-8466 toll-free.

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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 help you feel your very

(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 through June 30 and is open to all EUTF subscribers and their enrolled spouses and domestic partners, 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.)

Find a Blue Cross Blue Shield Provider

Traveling this summer? HMSA members have access to a network of Blue Cross Blue Shield (BCBS) doctors, hospitals, and other providers around the world.

HMSA MEMBERS

Before you leave Hawaii:

1. Download the BCBS Global Core mobile app from the App Store or Google Play. The app offers convenient access to health care when you travel.
2. Take your HMSA membership card with you. A duplicate copy can be printed from My Account on hmsa.com/eutf.
3. If you know the service you may be receiving before you leave Hawaii, review your benefit information for medical care outside of Hawaii in your HMSA Guide to Benefits found on hmsa.com/eutf and confirm with your primary care provider or HMSA whether you will need a prior authorization (precertification).

For non-emergent care:

1. If you are on the Mainland, call 1-800-810-BLUE (2583) for names of participating hospitals or providers in the area. You can also use the Find a Doctor tool at bcbs.com or use the BCBS Global Core mobile app.

best. Get started by visiting kp.org/tha. Support your wellness goals and action plan with our healthy lifestyle programs. Choose from eight programs, such as losing weight, eating healthier, quitting smoking, reducing stress, and managing ongoing health conditions. Participate in the healthy lifestyle programs by visiting kp.org/healthylifestyles.



2. If you are in another country, call 1-804-673-1177 toll-free for assistance in finding a participating provider and/or in making an appointment. You can also visit bcbsglobalcore.com to access an online listing of BCBS Global Core hospitals and doctors or use the BCBS Global Core mobile app.

For emergent care:

1. Go to the nearest hospital.
2. After being admitted, call 1-800-810-BLUE (2583) if you are on the Mainland or 1-804-673-1177 toll-free if you are in another country.

If you have any questions, please contact HMSA (948-6499 on Oahu or 1-800-776-4672 toll-free).

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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Executive Director

Kanoe Margol

Deputy Executive Director

Elizabeth T. Burton

Chief Investment Officer

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.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

SUMMER 2019

HOLOMUA
RETIREES & ACTIVE MEMBERS

PRSR STD
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HONOLULU, HI
PERMIT NO. 643

Ask ERS

Answers to some frequently asked questions:

Q: While I am employed, do I need to update my ERS beneficiary designation if I marry, re-marry or divorce?

A: A designation of beneficiary is only required if you are a Contributory or Hybrid member.

An ERS designation of beneficiary form filed prior to retirement (ERS Form 1-A) becomes null and void when a member or former employee is divorced from the beneficiary or is unmarried and subsequently marries, according to Section 88-93 of the Hawaii Revised Statutes. The designation is also void if the beneficiary predeceases the member or former member. If the beneficiary designation is void, your spouse or dependent children may still be eligible for death benefits; however, if there is no surviving spouse or dependent children, and if a new designation form is not filed with the ERS, benefits will be paid to the member's or former employee's estate.

It is best to have a current form on file to ensure your intended beneficiary is covered. The ERS Form 1-A and a Q&A

are available at the ERS website (ers.ehawaii.gov) under the "Resources" Tab, scroll down and click "All Forms", then click "Active". Please note that ERS Form 1-A must be signed in the presence of an ERS representative or Notary. For more information, contact the ERS at (808) 586-1735.

Q: Under which ERS retirement options can I change my beneficiary?

A: You may change your beneficiary after retirement only if choosing a retirement option that does not provide the beneficiary with a lifetime monthly benefit after your death.

These "Joint-Survivor" Options are:

Noncontributory Plan:

- Option A (50% survivor)
- Option B (100% survivor)

Contributory and Hybrid Plans:

- Option Two (100% survivor)
- Option Three (50% survivor)
- Option Four (Five & Two) and Option Four (Five & Three) combinations that include partial refunds of accumulated contributions.

For more information, contact the ERS at (808) 586-1735.