

Summary Annual Report
For the
HAWAII HEALTH AND WELFARE
TRUST FUND FOR OPERATING ENGINEERS

This is a summary of the annual report for the Hawaii Health and Welfare Trust Fund for Operating Engineers, (Employer Identification No. 94-6182984, Plan No. 501) for the period beginning January 1, 2020 and ending December 31, 2020.

The annual report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

INSURANCE INFORMATION

The following brief description of the Trust benefits are provided for general information purposes only. Participants should refer to the Plan document for more complete information.

The Trust has contracts with Pacific Guardian Life to pay certain life insurance and temporary disability claims, with Union Labor Life Insurance Company for burial benefits, and with Vision Service Plan for vision care. The Trust also maintains an alternative medical plan under contract with Kaiser Foundation Health Plan for standard medical coverage for participants and dependents. Hawaii Dental Service provides standard dental services. Stop loss and chiropractic coverage is provided by Hawaii Medical Service Association. The total insurance premiums charged to the Trust for the year ended December 31, 2020 were \$7,009,020.

Hawaii Dental Service, and Pacific Guardian Life are so called “experience-rated” contracts, the premium costs are affected by, among other things, the number and size of claims. Of the total insurance premiums paid for the plan year ending December 31, 2020, the premiums paid under such “experience-rated” contracts were \$2,943,149 and the total of all benefit claims paid under these experience-rated contracts during the plan year was \$2,197,010.

BASIC FINANCIAL STATEMENT

Benefits under the Trust are provided by the trust and insurance. Trust expenses were \$23,431,764. These expenses included \$1,451,662 in operating expenses, \$197,358 in investment expenses, \$14,735,954 in benefits paid directly to participants and beneficiaries, \$37,770 in other benefit payments, and \$7,009,020 in insurance premiums charged by insurance companies and a health maintenance organization.

The value of Trust assets, after subtracting liabilities of the plan, was \$41,347,785 as of December 31, 2020 compared to \$34,831,250 as of January 1, 2020. During the Trust year the Trust experienced an increase in its net assets of \$6,516,535. This increase includes unrealized appreciation or depreciation in the value of Trust assets; that is, the difference between the value of the Trust’s assets at the end of the year and the value of the assets at the beginning of the year, or the cost of assets acquired during the year.

The Trust had total income of \$29,948,299. This income included employer contributions of \$26,171,132, employee contributions of \$65,748, \$33,821 in other contributions, realized gains of \$1,235,877 from the sale of assets of and earnings on investments of \$2,441,721.

YOUR RIGHTS TO ADDITIONAL INFORMATION

You have the right to receive a copy of the full annual report, or any part thereof, on request. There will be a photocopy charge of \$0.25 per page. The items listed below are included in that report:

1. An accountant's report;
2. Assets held for investment;
3. Transactions in excess of 5 percent of the plan assets; and
4. Insurance information including sales commissions paid by insurance carriers.

To obtain a copy of the full annual report, or any part thereof, write or call the office of

Joint Board of Trustees, Hawaii Health and Welfare
Trust Fund for Operating Engineers
1640 South Loop Road
Alameda, CA 94502
94-6182984 (Employer Identification Number)
(510) 337-3050

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. (The current year's audited financial statements). If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report. These portions of the report are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the plan:

Joint Board of Trustees, Hawaii Health and Welfare
Trust Fund for Operating Engineers
1640 South Loop Road
Alameda, CA 94502

And at the U.S. Department of Labor in Washington, D.C. or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: U.S. Department of Labor, Employee Benefits Security Administration, Room N-1513, 200 Constitution Avenue N.W., Washington, D.C. 20210.

BOARD OF TRUSTEES