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HOUSE BILL NO. 9

Offered January 9, 2008

Prefiled November 21, 2007

A BILL to amend and reenact § 51.1-1403 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 51.1-1403.1, relating to health insurance credits for retired local social services employees.

Patron—Wright

Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:

1. That § 51.1-1403 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding a section numbered 51.1-1403.1 as follows:

§ 51.1-1403. Health insurance credits for retired constitutional officers, employees of constitutional officers, general registrars, and employees of general registrars.

A. A local officer, as defined in § 51.1-124.3, general registrar, *or* employee of a general registrar; ~~or an employee of a local social services board~~, retired under the Virginia Retirement System who rendered at least 15 years of total creditable service under the System shall receive a health insurance credit to his monthly retirement allowance, which shall be applied to reduce the retired member's health insurance premium cost. The amount of each monthly health insurance credit payable under this section shall be \$1.50 for each full year of the retired member's creditable service, not to exceed a maximum monthly credit of \$45; however, each former member whose retirement was for disability shall receive a monthly health insurance credit of \$45. Eligibility for the credit shall be determined in a manner prescribed by the Virginia Retirement System. Any member who elects to defer his retirement pursuant to subsection C of § 51.1-153 shall be entitled to receive the allowable credit provided by this section on the effective date of his retirement. The cost of such credit shall be borne by the Commonwealth.

B. In addition to the health insurance credit authorized in subsection A, localities which participate in the Virginia Retirement System may elect to provide an additional health insurance credit of \$1 per month for each full year of the retired member's creditable service, not to exceed a maximum monthly credit of \$30. The costs of such additional health insurance credit shall be borne by the locality.

C. 1. Those retired employees who purchase an alternative personal health insurance policy from a carrier or organization of their own choosing shall be eligible to receive a credit in the amount specified in subdivision C 2. Eligibility for the credit and payment of the credit shall be determined in a manner prescribed by the Virginia Retirement System.

2. The credit shall be in (i) the amount provided in subsection A, or subsection A and subsection B if the additional credit authorized by subsection B is provided or (ii) the amount of premium paid for the personal health insurance policy, whichever is less.

D. Any person included in the membership of a retirement system provided by Chapter 1 (§ 51.1-124.1 et seq.), 2 (§ 51.1-200 et seq.), 2.1 (§ 51.1-211 et seq.), or 3 (§ 51.1-300 et seq.) who (i) rendered at least 15 years of total creditable service as a local officer as defined in § 51.1-124.3 or as ~~an employee of a local social services board~~ or combined service as a general registrar or an employee of a general registrar and (ii) after terminating service as a local officer or ~~employee of a local social services board~~ or general registrar or as an employee of a general registrar, was employed by a local government that does not elect to provide a health insurance credit under § 51.1-1402, shall be eligible for the credit provided by subsection A, provided that the retired employee is participating in a health insurance plan. The Commonwealth shall be charged with the credit as provided for in subsection A. In such case, the health insurance credit shall be determined based upon the amount of state service or service as a local officer ~~or service as an employee of a local social services board~~ or combined service as a general registrar or an employee of a general registrar, whichever is greater.

E. The Virginia Retirement System shall (i) actuarially determine the amount necessary to fund all credits provided under this section, (ii) reflect the cost of such credits in the applicable employer contribution rate pursuant to § 51.1-145, and (iii) prescribe such terms and conditions as are necessary to carry out the provisions of this section. The costs associated with the administration of the health insurance program provided for in this section shall be recovered from the health insurance credit trust fund.

§ 51.1-1403.1. Health insurance credits for retired employees of a local social services board.

A. An employee of a local social services board, retired under the Virginia Retirement System, who rendered at least 15 years of total creditable service under the System shall receive a health insurance

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59 credit to his monthly retirement allowance, which shall be applied to reduce the retired member's health
60 insurance premium cost. The amount of each monthly health insurance credit payable under this section
61 shall be \$4 for each full year of the retired member's creditable service; however, each former member
62 whose retirement was for disability shall receive a monthly health insurance credit of \$4 multiplied by
63 the smaller of (i) twice the amount of his creditable service or (ii) the amount of creditable service he
64 would have completed at age 60 if he had remained in service to that age. Eligibility for the credit shall
65 be determined in a manner prescribed by the Virginia Retirement System. Any member who elects to
66 defer his retirement pursuant to subsection C of § 51.1-153 shall be entitled to receive the allowable
67 credit provided by this section on the effective date of his retirement.

68 B. Those retired employees who purchase an alternative personal health insurance policy from a
69 carrier or organization of their own choosing shall be eligible to receive a credit in the amount
70 specified in subsection D. Eligibility for the credit and payment of the credit shall be determined in a
71 manner prescribed by the Virginia Retirement System.

72 C. The credit shall be in (i) the amount provided in subsection A or (ii) the amount of premium paid
73 for the personal health insurance policy, whichever is less.

74 D. Any person included in the membership of a retirement system provided by Chapter 1
75 (§ 51.1-124.1 et seq.), 2 (§ 51.1-200 et seq.), 2.1 (§ 51.1-211 et seq.), or 3 (§ 51.1-300 et seq.) of this
76 title who (i) rendered at least 15 years of total creditable service as an employee of a local social
77 services board and (ii) after terminating service as an employee of a local social services board, was
78 employed by a local government that does not elect to provide a health insurance credit under
79 § 51.1-1402, shall be eligible for the credit provided by subsection A, provided that the retired employee
80 is participating in a health insurance plan. The Commonwealth and local school division, if appropriate,
81 shall be charged with the credit as provided for in subsection E. In such case, the health insurance
82 credit shall be determined based upon the amount of state service or service as an employee of a local
83 social services board, whichever is greater.

84 E. The Virginia Retirement System shall (i) actuarially determine the amount necessary to fund all
85 credits provided under this section, (ii) reflect the cost of such credits in the applicable employer
86 contribution rate pursuant to §§ 51.1-145, and (iii) prescribe such terms and conditions as are
87 necessary to carry out the provisions of this section. The costs associated with the administration of the
88 health insurance program provided for in this section shall be recovered from the health insurance
89 credit trust fund.