

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 51.1-1402 of the Code of Virginia and to amend the Code of Virginia by*
 3 *adding a section numbered 51.1-1402.1, relating to health insurance credits for retired school*
 4 *division employees other than teachers.*

5 [H 1513]

6 Approved

7 **Be it enacted by the General Assembly of Virginia:**

8 **1. That § 51.1-1402 of the Code of Virginia is amended and reenacted and that the Code of**
 9 **Virginia is amended by adding a section numbered 51.1-1402.1 as follows:**

10 **§ 51.1-1402. Health insurance credits for retired local government employees.**

11 A. Retired local government employees, *other than employees of a local school division who are not*
 12 *teachers as defined in § 51.1-124.3*, whose localities have elected to participate in the Virginia
 13 Retirement System, including the hybrid retirement program described in § 51.1-169, who have rendered
 14 at least 15 years of total creditable service under the System shall receive a health insurance credit to
 15 their monthly retirement allowance, which shall be applied to reduce the retired member's health
 16 insurance premium cost, provided the retiree's employer elects to participate in the credit program. The
 17 amount of each monthly health insurance credit payable under this section shall be \$1.50 for each full
 18 year of the retired member's creditable service, not to exceed a maximum monthly credit of \$45;
 19 however, each former member whose retirement was for disability, a participant receiving long-term
 20 disability pursuant to § 51.1-1157 or 51.1-1165, or a member of the hybrid retirement program receiving
 21 long-term disability pursuant to coverage under subsection A of § 51.1-1153 shall receive a monthly
 22 health insurance credit of \$45. Eligibility for the credit shall be determined in a manner prescribed by
 23 the Virginia Retirement System. Any member who elects to defer his retirement pursuant to subsection
 24 C of § 51.1-153 shall be entitled to receive the allowable credit provided by this section on the effective
 25 date of his retirement.

26 B. Those retired employees who purchase an alternative policy from a carrier or organization of their
 27 own choosing shall be eligible to receive a credit in the amount specified in subsection C. Eligibility for
 28 the credit and payment of the credit shall be determined in a manner prescribed by the Virginia
 29 Retirement System.

30 C. The credit shall be in the amount provided in subsection A or the amount of premium paid for
 31 the personal health insurance policy, whichever is less.

32 D. The cost of the monthly health insurance credit payable under this section shall be borne by the
 33 locality.

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

40 **§ 51.1-1402.1. Health insurance credits for retired school division employees other than teachers.**

41 A. *Employees of a local school division who are not teachers as defined in § 51.1-124.3, who retired*
 42 *under the Virginia Retirement System, including the hybrid retirement program described in § 51.1-169,*
 43 *and who rendered at least 15 years of total creditable service under the System shall receive a health*
 44 *insurance credit to their monthly retirement allowance, which shall be applied to reduce the retired*
 45 *member's health insurance premium cost. The amount of each monthly health insurance credit payable*
 46 *under this section shall be \$1.50 for each full year of the retired member's creditable service; however,*
 47 *each former member whose retirement was for disability, participant receiving long-term disability*
 48 *pursuant to § 51.1-1157 or 51.1-1165, or member of the hybrid retirement program receiving long-term*
 49 *disability pursuant to coverage under subsection A of § 51.1-1153 shall receive a monthly health*
 50 *insurance credit of \$1.50 multiplied by the smaller of (i) twice the amount of his creditable service or*
 51 *(ii) the amount of creditable service he would have completed at age 60 if he had remained in service*
 52 *to that age. Eligibility for the credit shall be determined in a manner prescribed by the Virginia*
 53 *Retirement System. Any member who elects to defer his retirement pursuant to subsection C of*
 54 *§ 51.1-153 shall be entitled to receive the allowable credit provided by this section on the effective date*
 55 *of his retirement.*

56 B. *In addition to the health insurance credit authorized in subsection A, localities may elect to*

57 provide an additional health insurance credit of \$1 per month for each full year of the retired member's
58 creditable service. The costs of such additional health insurance credit shall be borne by the locality.

59 C. Those retired employees who purchase an alternative policy from a carrier or organization of
60 their own choosing shall be eligible to receive a credit in the amount specified in subsection D.
61 Eligibility for the credit and payment of the credit shall be determined in a manner prescribed by the
62 Virginia Retirement System.

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

66 E. The Commonwealth and the locality, if appropriate, shall be charged with the credit as provided
67 for in subsection F.

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

74 **2. That the provisions of this act shall apply to all eligible retired employees of a local school**
75 **division who are not teachers as defined in § 51.1-124.3, regardless of their date of retirement.**
76 **However, the health insurance credit under § 51.1-1402.1 of the Code of Virginia, as created by**
77 **this act, shall only be available on a prospective basis for those eligible retired employees of a local**
78 **school division who retired prior to July 1, 2020, but who did not receive a health insurance credit**
79 **pursuant to such section prior to such date.**

80 **3. That the provisions of this act shall not apply to any former member of a retirement system**
81 **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**
82 **(§ 51.1-300 et seq.) of Title 51.1 of the Code of Virginia who retired prior to July 1, 2020, and**
83 **whose retirement was for disability, if such application would reduce the monthly health insurance**
84 **credit payable to such former member.**

85 **4. That no health insurance credit authorized by this act shall be paid to any eligible retired**
86 **employee of a local school division who is not a teacher before July 1, 2021.**

87 **5. That the provisions of this act amending § 51.1-1402 of the Code of Virginia shall become**
88 **effective on July 1, 2021.**