

LD3655416

HOUSE BILL NO. 1927

House Amendments in [] — February 5, 1995

A BILL to amend and reenact § 2.1-20.1:3 of the Code of Virginia, relating to health insurance credits for retired teachers in the Virginia Retirement System.

Patrons—Putney, Almand, Armstrong, Bennett, Christian, Councill, Croshaw, DeBoer, Deeds, Dillard, Hull, Ingram, Jackson, Reynolds and Ruff; Senator: Trumbo

Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:**1. That § 2.1-20.1:3 of the Code of Virginia is amended and reenacted as follows:**

§ 2.1-20.1:3. Health insurance credits for retired teachers.

A. A teacher, as defined in § 51.1-124.3, retired under the Virginia Retirement System who rendered at least fifteen 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; ~~provided the retiree's employer elects to participate in the credit program and sponsors a health insurance plan for its employees and the employee elects to participate in that employer-sponsored plan.~~ The amount of each monthly health insurance credit payable under this section shall be one dollar and fifty cents for each full year of the retired member's creditable service, not to exceed a maximum monthly credit of forty-five dollars; however, each former member whose retirement was for disability shall receive a monthly health insurance credit of forty-five dollars.

B. Each monthly health insurance credit payable under this section shall be paid by the Commonwealth and the employer based on the composite index established in the general appropriation act.

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 reimbursement equal to the credit in the amount specified in subdivision C 2. Such reimbursement, not to exceed the actual premium paid, and reduced by the administrative charge for processing the reimbursement, shall be paid upon presentation of documentation satisfactory to the Virginia Department of Personnel and Training that the premium for such personal health insurance policy has been paid. Eligibility for reimbursement under this provision shall be determined in a manner prescribed by the Virginia Department of Personnel and Training. Reimbursement of the retired employee shall be deemed continuing and automatically renewed unless such retiree affirmatively revokes, in writing, his eligibility for reimbursement. Subject to the limitations of subdivision C 2, the reimbursement amount shall increase or decrease, in like amount, if the retiree's private health insurance policy premium increases or decreases.

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

~~C. D.~~ D. The Virginia Retirement System shall (i) actuarially determine the amount necessary to fund all credits provided under this section, (ii) ~~and shall~~ 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.

D. Employers who elect to participate in the program by offering an employer-sponsored health insurance plan shall notify the Virginia Retirement System and the Virginia Department of Education at least twelve months prior to the date they elect to commence participation in the program. The effective date of the employer's participation shall correspond with the beginning of the Commonwealth's fiscal year.

2. That the provisions of this act shall become effective on [January 1, 1996 July 1, 1996, provided that state funding is included in the 1996-98 budget bill] .

ENGROSSED

HB1927E