

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

An Act 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.

[H 862]

Approved

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. 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. 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. *In addition to the health insurance credit authorized in subsection A, localities who participate in the Virginia Retirement System may elect to provide an additional health insurance credit of one dollar per month for each full year of the retired member's creditable service, not to exceed a maximum monthly credit of thirty dollars. 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 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 Retirement System 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 Retirement System. 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 (i) the amount of the credit 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.

~~C.~~ D. The Virginia Retirement System shall (i) actuarially determine the amount necessary to fund all credits provided under this section and shall, (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.* In addition, the Retirement System shall be entitled to recover from the Department of Personnel and Training, through interagency transfer or otherwise, reasonable costs associated with the administration of the health insurance credit program provided for in 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 July 1, 1998.

ENROLLED

HB862ER