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## HOUSE BILL NO. 1843

Offered January 14, 1999

*A BILL to amend and reenact § 2.1-20.1:4 of the Code of Virginia, relating to health insurance credits for local government employees and constitutional officers.*

Patrons—Putney, Bryant, Byron, Davies and Dickinson

Referred to Committee on General Laws

**Be it enacted by the General Assembly of Virginia:****1. That § 2.1-20.1:4 of the Code of Virginia is amended and reenacted as follows:**

§ 2.1-20.1:4. Health insurance credits for local government employees.

A. Retired local government employees, whose localities have elected to participate in the Virginia Retirement System, who have rendered at least fifteen years of total creditable service under the System and local social service employees, and constitutional officers whose localities have elected to participate in the Virginia Retirement 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. 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 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.

B. 1. Those retired employees, local social service employees, and constitutional officers who purchase an alternative policy from a carrier or organization of their own choosing shall be eligible to receive a credit in the amount specified in subsection B 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 the amount provided in subsection A or the amount of premium paid for the personal health insurance policy, whichever is less.

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

D. The Virginia Retirement System shall actuarially determine the amount necessary to fund all credits provided under this section, reflect the cost of such credits in the applicable employer contribution rate pursuant to § 51.1-145, and 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 credit program provided for in this section shall be recovered from the health insurance credit trust fund.

INTRODUCED

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