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HOUSE BILL NO. 1055

Offered January 13, 2010

Prefiled January 13, 2010

A BILL to amend and reenact § 51.1-1403 of the Code of Virginia, relating to the Virginia Retirement System; health insurance credits.

Patron—Armstrong

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 as follows:§ 51.1-1403. Health insurance credits

A. A local officer, as defined in § 51.1-124.3, general registrar, 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~~ \$4 for each full year of the retired member's creditable service.; ~~not to exceed a maximum monthly credit of \$45; however, each~~ *Each* former member whose retirement was for disability shall receive a ~~monthly health insurance credit of \$45 maximum monthly credit which is the greatest of (i) \$120, (ii) \$4 for each year of creditable service at the time of disability retirement, or (iii) \$4 or each year of creditable service at the time of eligibility for long-term disability.~~ 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.~~

~~CB.~~ 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 ~~CB~~ 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.

~~DC.~~ 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.

~~ED.~~ 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.

2. That the provisions of this act shall not be in force at any time that the entire cost of the health insurance credits is not borne by the Commonwealth, including any time that the Appropriations Act permits the State Compensation Board to recoup the cost of the health

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59 insurance credits it pays to the Virginia Retirement System, by withholding the amount of such
60 cost from its payments to localities.

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