

LD3187753

SENATE BILL NO. 897

Senate Amendments in [] — February 2, 1995

A BILL to amend and reenact § 2.1-20.1:2 of the Code of Virginia, relating to health insurance credits for retired employees of the Commonwealth.

Patrons—Walker, Andrews, Chichester, Colgan, Cross, Holland, R.J., Lambert and Schewel

Referred to the Committee on Finance

Be it enacted by the General Assembly of Virginia:**1. That § 2.1-20.1:2 of the Code of Virginia is amended and reenacted as follows:**

§ 2.1-20.1:2. Health insurance credits for retired state employees.

A. The Commonwealth shall pay the cost of coverage for state employees retired under the Virginia Retirement System, State Police Officers Retirement System, Judicial Retirement System or any retirement system authorized pursuant to § 51.1-126 who (i) served no less than fifteen years of creditable service as regularly employed full-time employees of the Commonwealth or (ii) rendered service as a temporary employee of the General Assembly in 1972 and became a member of the retirement system from 1972 to 1985 immediately following such temporary service. An amount of two dollars and fifty cents per year of creditable service not to exceed a maximum monthly allowance of seventy-five dollars shall be credited monthly to any retired state employee participating in the state health plan established by § 2.1-20.1 or a personal health insurance plan as provided herein. However, such credit shall not exceed the health insurance premium for retiree-only coverage as provided under such personal health insurance plan. Any retired state employee retired under the provisions of §§ 51.1-156 and 51.1-307 shall receive the maximum credit provided by this section.

B. 1. For those retired state employees participating in the state health plan, such credit shall be applied to the monthly premium deducted from benefits payable to retired state employees in accordance with Chapters 1 (§ 51.1-124.1 et seq.), 2 (§ 51.1-200 et seq.) and 3 (§ 51.1-300 et seq.) of Title 51.1. In the event that either no benefit is payable or the benefit payable is insufficient to deduct the entire health care premium, the Virginia Retirement System shall transfer funds in an amount equivalent to the credits that would otherwise have been payable to the Department of Personnel and Training. *Eligibility for the credit shall be determined in a manner prescribed by the Virginia Retirement System.*

2. For those retired state employees electing not to participate in the state health plan and who purchase an alternative personal health insurance policy from a carrier or organization of his own choosing, such retirees shall be eligible to receive a reimbursement equal to the credit in the amount specified in subdivision B 3. 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 [~~Department of Personnel and Training~~ *Virginia Retirement System*] that the premium for such personal health insurance policy has been paid. Eligibility for reimbursement under this ~~provision~~ *section* shall be determined in a manner prescribed by the ~~Department of Personnel and Training~~ *Virginia Retirement System*. The retired state employee's election to participate shall be deemed continuing and automatically renewed unless such retiree affirmatively revokes, in writing, his participation. Subject to the limitations of subdivision B 3, the reimbursement amount shall increase or decrease, in like amount, if the retiree's private health insurance policy premium increases or decreases.

3. 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.

4. A retired state employee who fails to elect to participate in the state health plan within thirty-one days of the effective date of retirement, or who, once having elected to participate, discontinues participation, is barred from participating in the state health plan thereafter.

C. The Virginia Retirement System shall actuarially determine the amount necessary to fund all credits provided by this section and shall reflect the cost of such credits in the employer contribution rate pursuant to § 51.1-145.

ENGROSSED

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