
VIRGINIA STATE BUDGET

2009 Session

Budget Bill - HB1600 (Chapter 781)

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Central Appropriations

Item 472.10	First Year - FY2009	Second Year - FY2010
Reversion Clearing Account - Employee Benefits Reversion (23300)	-\$58,458,756	-\$60,943,376
	-\$61,758,944	-\$87,203,333
Fund Sources:		
General	-\$58,458,756	-\$60,943,376
	-\$61,758,944	-\$87,203,333

Authority: Discretionary Inclusion.

A.1. Due to excess balances in the state employee Health Insurance Fund, the Director of the Department of Planning and Budget is hereby directed to withhold and transfer to this Item general fund appropriations of \$28,896,423 in the first year and \$30,152,770 in the second year from state agencies and institutions representing amounts budgeted for the employer contributions into the state employee health insurance program. The Director of the Department of Human Resources Management shall provide a premium credit to the agencies equal to such transfer along with a corresponding credit representing savings to agencies supported in whole or in part from nongeneral funds.

2. *For the second year, health insurance premiums charged to state agencies and active state employees for the state employee health insurance program shall remain at the levels charged in the first year. Cost increases to the state employee health insurance program above the first year increase shall be absorbed by the health insurance fund.*

B.1. Contribution rates paid to the Virginia Retirement System (VRS) for the retirement benefits of state employees, state police officers, state judges, and state law enforcement officers eligible for the Virginia Law Officers Retirement System shall be based on a valuation of retirement assets and liabilities that assume an investment return of eight percent, a cost of living increase of three percent, and an amortization period of 30 years.

2. Retirement contribution rates for ~~each~~ *the first year*, excluding the five percent employee portion, shall be: 8.81 percent for public school teachers, 6.23 percent for state employees, 20.05 percent for state police officers, 14.23 percent for the Virginia Law Officers Retirement System, and 34.51 percent for the Judicial Retirement System. *Retirement contribution rates for the second year, excluding the five percent employee portion, shall be: 8.81 percent for public school teachers, 6.26 percent for state employees, 20.05 percent for state police officers, 14.23 percent for the Virginia Law Officers Retirement System, and 34.51 percent for the Judicial Retirement System.*

3. Contribution rates paid on behalf of state employees to other programs administered by the VRS *in the first year* shall be: 0.82 percent for the public employee group life insurance program, ~~1.94~~ *1.79* percent for the Virginia Sickness and Disability Program, and 1.18 percent for the state employee retiree health insurance credit. *Contribution rates paid on behalf of state employees to other programs administered by the VRS in the second year shall be: 0.79 percent for the public employee group life insurance program, 1.00 percent for the Virginia Sickness and Disability Program, and 1.00 percent for the state employee retiree health insurance credit.*

4. Contribution rates paid on behalf of public school teachers shall be 1.08 percent *in the first year and 1.04 percent in the second year* for the teacher retiree health insurance credit.

C.1. The Director of the Department of Planning and Budget shall withhold and transfer general fund amounts estimated at ~~\$12,039,214~~ \$15,339,402 the first year and ~~\$12,559,658~~ \$37,540,615 the second year from the appropriations of state agencies and institutions of higher learning to this Item, representing savings from changes in the contribution rates for state employee benefits as provided for in paragraph B of this Item.

2. The Director of the Department of Planning and Budget shall withhold and transfer general fund amounts estimated at \$78,931 the first year and \$78,931 the second year from the appropriations of the Compensation Board for reimbursements to Constitutional Officers to this Item, representing savings from changes in the contribution rates for VRS benefits as provided for in paragraph B of this Item.

3. The Director of the Department of Planning and Budget shall withhold and transfer general fund amounts estimated at \$17,444,188 the first year and \$18,152,017 the second year from Item 140 of this act and transfer to this item, representing the savings that will be realized from the application of the contribution rates for public teachers included in paragraph B of this Item.

D.1 Notwithstanding any provision to the contrary, any references to a period of 14 days or a period of 28 days in §§ 51.1-1111, -1112, -1122, and -1123 of the Virginia Sickness and Disability Program (VSDP) are hereby changed to a period of 45 days. Moreover, the period of 45 days shall be consecutive days that the participating employee is (i) actively at work and (ii) fully released to return to work full time, full duty. The Virginia Retirement System shall develop policies and procedures to administer the effects of the 45-day period in connection with participants who are deemed to have a major chronic condition.

2. Notwithstanding any provision to the contrary, any eligible employee commencing employment or re-employment on or after July 1, 2009, shall not be entitled to receive Virginia Sickness and Disability Program benefits under Article 3, Chapter 11 of Title 51.1 (Nonwork Related Disability Benefits) until the employee completes one continuous year of active employment or re-employment.

3. Notwithstanding any provision to the contrary, for all eligible employees commencing employment or re-employment on or after July 1, 2009, short-term disability coverage under the Virginia Sickness and Disability Program shall provide income replacement for no more than 60 percent of a participating employee's creditable compensation for the first 60 months of continuous state service after employment or re-employment.

4. The Director of the Department of Planning and Budget shall withhold and transfer general fund amounts of \$1,279,000 the second year from the appropriations of state agencies and institutions of higher learning to this item, representing savings from reduced expenditures for short-term disability benefits pursuant to the policy changes authorized in this item.

E. Notwithstanding the provisions of § 2.2-3205(A), Code of Virginia, the terminating agency shall not be required to pay the Virginia Retirement System (VRS) the costs of enhanced retirement benefits provided for in § 2.2-3204 (A), Code of Virginia. Instead, the entire cost of such benefits for involuntarily separated employees shall be factored into the employer contribution rates paid to VRS beginning with the June 30, 2009 actuarial valuation.