
VIRGINIA STATE BUDGET

2009 Session

Budget Bill - SB850 (Introduced)

Bill Order » Central Appropriations » Item 472.10

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	-\$90,324,589
Fund Sources:		
General	-\$58,458,756	-\$60,943,376
	-\$61,758,944	-\$90,324,589

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, 0.80 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~~ \$41,940,871 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.

4. *Effective July 1, 2009, the employer-paid long-term care coverage program authorized under § 51.1-1135.2, Code of Virginia, is closed to new members. Every "participating employee," as that term is defined in § 51.1-1100, Code of Virginia, and every former participating employee who ported his or her long-term care coverage after termination of employment, shall be given a one-time election to continue coverage, at the benefit level in force as of June 30, 2009 on a voluntary participant-paid basis. For every person that exercises the option to continue long-term care coverage, existing program reserves shall be used to maintain premiums at levels set by the Board of Trustees of the Virginia Retirement System. Any claims incurred on or before June 30, 2009 by participants shall be paid out of existing program reserves. The Board of Trustees of the Virginia Retirement System shall develop policies and procedures for the administration of this program.*

5. *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.*