ENROLLED

Senate Bill No. 492

(By Senators Minard, Helmick and McCabe)

[Passed April 11, 2009; in effect ninety days from passage.]
AN ACT to amend and reenact §5-16-13 of the Code of West Virginia, 1931, as amended, relating to the terms of participation in the Public Employees Insurance Agency of dependent children and employees hired on or after July 1, 2009, upon retirement.

Be it enacted by the Legislature of West Virginia:

That §5-16-13 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 16. WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE ACT.

§5-16-13. Payment of costs by employer and employee; spouse and dependent coverage; involuntary employee termination coverage; conversion of annual leave and sick leave authorized for health or retirement benefits; authorization for retiree participation; continuation of health insurance for surviving dependents of deceased employees; requirement of new health plan, limiting employer contribution.

1  (a) Cost-sharing.— The director shall provide under any contract or contracts entered into under the provisions of this article that the costs of any group hospital and
surgical insurance, group major medical insurance, group
prescription drug insurance, group life and accidental
disability insurance benefit plan or plans shall be paid by the
employer and employee.

(b) Spouse and dependent coverage. – Each employee
is entitled to have his or her spouse and dependents
included in any group hospital and surgical insurance,
group major medical insurance or group prescription drug
insurance to which the employee is entitled to
participate: Provided, That the spouse and dependent
coverage is limited to excess or secondary coverage for
each spouse and dependent who has primary coverage
from any other source. For purposes of this section, the
term “primary coverage” means individual or group
hospital and surgical insurance coverage or individual or
group major medical insurance coverage or group pre-
scription drug coverage in which the spouse or dependent
is the named insured or certificate holder. For the pur-
poses of this section, “dependent” includes an eligible
employee's unmarried child or stepchild under the age of
twenty-five if that child or stepchild meets the definition
of a “qualifying child” or a “qualifying relative” in
Section 152 of the Internal Revenue Code. The director
may require proof regarding spouse and dependent
primary coverage and shall adopt rules governing the
nature, discontinuance and resumption of any employee’s
coverage for his or her spouse and dependents.

(c) Continuation after termination. – If an employee
participating in the plan is terminated from employment
involuntarily or in reduction of work force, the employee’s
insurance coverage provided under this article shall
continue for a period of three months at no additional cost
to the employee and the employer shall continue to
contribute the employer’s share of plan premiums for the
coverage. An employee discharged for misconduct shall
not be eligible for extended benefits under this section.
Coverage may be extended up to the maximum period of three months, while administrative remedies contesting the charge of misconduct are pursued. If the discharge for misconduct be upheld, the full cost of the extended coverage shall be reimbursed by the employee. If the employee is again employed or recalled to active employment within twelve months of his or her prior termination, he or she shall not be considered a new enrollee and may not be required to again contribute his or her share of the premium cost, if he or she had already fully contributed such share during the prior period of employment.

(d) Conversion of accrued annual and sick leave for extended insurance coverage upon retirement for employees who elected to participate in the plan before July, 1988. — Except as otherwise provided in subsection (g) of this section, when an employee participating in the plan, who elected to participate in the plan before July 1, 1988, is compelled or required by law to retire before reaching the age of sixty-five, or when a participating employee voluntarily retires as provided by law, that employee's accrued annual leave and sick leave, if any, shall be credited toward an extension of the insurance coverage provided by this article, according to the following formulae: The insurance coverage for a retired employee shall continue one additional month for every two days of annual leave or sick leave, or both, which the employee had accrued as of the effective date of his or her retirement. For a retired employee, his or her spouse and dependents, the insurance coverage shall continue one additional month for every three days of annual leave or sick leave, or both, which the employee had accrued as of the effective date of his or her retirement.

(e) Conversion of accrued annual and sick leave for extended insurance coverage upon retirement for employees who elected to participate in the plan after June, 1988. — Notwithstanding subsection (d) of this section, and
476 except as otherwise provided in subsections (g) and (l) of
477 this section when an employee participating in the plan
478 who elected to participate in the plan on and after July 1,
479 1988, is compelled or required by law to retire before
480 reaching the age of sixty-five, or when the participating
481 employee voluntarily retires as provided by law, that
482 employee's annual leave or sick leave, if any, shall be
483 credited toward one half of the premium cost of the
484 insurance provided by this article, for periods and scope of
485 coverage determined according to the following formulae:
486 (1) One additional month of single retiree coverage for
487 every two days of annual leave or sick leave, or both,
488 which the employee had accrued as of the effective date of
489 his or her retirement; or (2) one additional month of
490 coverage for a retiree, his or her spouse and dependents for
491 every three days of annual leave or sick leave, or both,
492 which the employee had accrued as of the effective date of
493 his or her retirement. The remaining premium cost shall
494 be borne by the retired employee if he or she elects the
495 coverage. For purposes of this subsection, an employee
496 who has been a participant under spouse or dependent
497 coverage and who reenters the plan within twelve months
498 after termination of his or her prior coverage shall be
499 considered to have elected to participate in the plan as of
500 the date of commencement of the prior coverage. For
501 purposes of this subsection, an employee shall not be
502 considered a new employee after returning from extended
503 authorized leave on or after July 1, 1988.

504 (f) Increased retirement benefits for retired employees
505 with accrued annual and sick leave. — In the alternative to
506 the extension of insurance coverage through premium
507 payment provided in subsections (d) and (e) of this section,
508 the accrued annual leave and sick leave of an employee
509 participating in the plan may be applied, on the basis of
510 two days' retirement service credit for each one day of
511 accrued annual and sick leave, toward an increase in the
512 employee's retirement benefits with those days constitut-
ing additional credited service in computation of the benefits under any state retirement system. However, the additional credited service shall not be used in meeting initial eligibility for retirement criteria, but only as additional service credited in excess thereof.

(g) Conversion of accrued annual and sick leave for extended insurance coverage upon retirement for certain higher education employees. — Except as otherwise provided in subsection (l) of this section, when an employee, who is a higher education full-time faculty member employed on an annual contract basis other than for twelve months, is compelled or required by law to retire before reaching the age of sixty-five, or when such a participating employee voluntarily retires as provided by law, that employee's insurance coverage, as provided by this article, shall be extended according to the following formulae: The insurance coverage for a retired higher education full-time faculty member, formerly employed on an annual contract basis other than for twelve months, shall continue beyond the effective date of his or her retirement one additional year for each three and one-third years of teaching service, as determined by uniform guidelines established by the University of West Virginia Board of Trustees and the board of directors of the state college system, for individual coverage, or one additional year for each five years of teaching service for "family" coverage.

(h) Any employee who retired prior to April 21, 1972, and who also otherwise meets the conditions of the "retired employee" definition in section two of this article, shall be eligible for insurance coverage under the same terms and provisions of this article. The retired employee's premium contribution for any such coverage shall be established by the finance board.
147  (i) **Retiree participation.** – All retirees under the provisions of this article, including those defined in section two of this article; those retiring prior to April 21, 1972; and those hereafter retiring are eligible to obtain health insurance coverage. The retired employee’s premium contribution for the coverage shall be established by the finance board.

154  (j) **Surviving spouse and dependent participation.** – A surviving spouse and dependents of a deceased employee, who was either an active or retired employee participating in the plan just prior to his or her death, are entitled to be included in any group insurance coverage provided under this article to which the deceased employee was entitled, and the spouse and dependents shall bear the premium cost of the insurance coverage. The finance board shall establish the premium cost of the coverage.

163  (k) **Elected officials.** – In construing the provisions of this section or any other provisions of this code, the Legislature declares that it is not now nor has it ever been the Legislature’s intent that elected public officials be provided any sick leave, annual leave or personal leave, and the enactment of this section is based upon the fact and assumption that no statutory or inherent authority exists extending sick leave, annual leave or personal leave to elected public officials and the very nature of those positions preclude the arising or accumulation of any leave, so as to be thereafter usable as premium paying credits for which the officials may claim extended insurance benefits.

176  (l) **Participation of certain former employees.** – An employee, eligible for coverage under the provisions of this article who has twenty years of service with any agency or entity participating in the public employees insurance program or who has been covered by the public employees insurance program for twenty years may, upon leaving
employment with a participating agency or entity, con-
tinue to be covered by the program if the employee pays
one hundred five percent of the cost of retiree coverage:
Provided, That the employee shall elect to continue
coverage under this subsection within two years of the
date the employment with a participating agency or entity
is terminated.

(m) Prohibition on conversion of accrued annual and
sick leave for extended coverage upon retirement for new
employees who elect to participate in the plan after June,
2001. — Any employee hired on or after July 1, 2001, who
elects to participate in the plan may not apply accrued
annual or sick leave toward the cost of premiums for
extended insurance coverage upon his or her retirement.
This prohibition does not apply to the conversion of
accrued annual or sick leave for increased retirement
benefits, as authorized by this section: Provided, That any
person who has participated in the plan prior to July 1,
2001, is not a new employee for purposes of this subsection
if he or she becomes reemployed with an employer partici-
pating in the plan within two years following his or her
separation from employment and he or she elects to
participate in the plan upon his or her reemployment.

(n) Prohibition on conversion of accrued years of
teaching service for extended coverage upon retirement for
new employees who elect to participate in the plan July,
2009. — Any employee hired on or after July 1, 2009, who
elects to participate in the plan may not apply accrued
years of teaching service toward the cost of premiums for
extended insurance coverage upon his or her retirement.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within is approved this the Day of , 2009.

Governor
PRESENTED TO THE GOVERNOR

MAY 7 2009

Time 11:15 AM