

WEST VIRGINIA LEGISLATURE

2016 REGULAR SESSION

Introduced

House Bill 4672

BY DELEGATE E. NELSON

[Introduced February 22, 2016; Referred
to Committee on Finance.]

1 A BILL to amend and reenact §5-16-18 of the Code of West Virginia, 1931, as amended, relating
 2 to requiring the Public Employees Insurance Agency Finance Board factor in overtime pay
 3 received by employees to determine their premiums.

Be it enacted by the Legislature of West Virginia:

1 That §5-16-18 of the Code of West Virginia, 1931, as amended, be amended and
 2 reenacted to read as follows:

ARTICLE 16. WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE ACT.

**§5-16-18. Payment of costs by employer; schedule of insurance; special funds created;
 duties of Treasurer with respect thereto.**

1 (a) All employers operating from state general revenue or special revenue funds or federal
 2 funds or any combination of those funds shall budget the cost of insurance coverage provided by
 3 the Public Employees Insurance Agency to current and retired employees of the employer as a
 4 separate line item, titled "PEIA", in its respective annual budget and are responsible for the
 5 transfer of funds to the director for the cost of insurance for employees covered by the plan. Each
 6 spending unit shall pay to the director its proportionate share from each source of funds. Any
 7 agency wishing to charge General Revenue Funds for insurance benefits for retirees under
 8 section thirteen of this article shall provide documentation to the director that the benefits cannot
 9 be paid for by any special revenue account or that the retiring employee has been paid solely with
 10 General Revenue Funds for twelve months prior to retirement.

11 (b) If the general revenue appropriation for any employer, excluding county boards of
 12 education, is insufficient to cover the cost of insurance coverage for the employer's participating
 13 employees, retired employees and surviving dependents, the employer shall pay the remainder
 14 of the cost from its "personal services" or "unclassified" line items. The amount of the payments
 15 for county boards of education shall be determined by the method set forth in section twenty-four,
 16 article nine-a, chapter eighteen of this code: *Provided*, That local excess levy funds shall be used
 17 only for the purposes for which they were raised: *Provided*, however, That after approval of its

18 annual financial plan, but in no event later than the thirty-first day of December of each year, the
19 finance board shall notify the Legislature and county boards of education of the maximum amount
20 of employer premiums that the county boards of education shall pay for covered employees during
21 the following fiscal year.

22 (c) All other employers not operating from the state General Revenue Fund shall pay to
23 the director their share of premium costs from their respective budgets. The finance board shall
24 establish the employers' share of premium costs to reflect and pay the actual costs of the
25 coverage including incurred but not reported claims.

26 (d) The contribution of the other employers (namely: A county, city or town) in the state;
27 any separate corporation or instrumentality established by one or more counties, cities or towns,
28 as permitted by law; any corporation or instrumentality supported in most part by counties, cities
29 or towns; any public corporation charged by law with the performance of a governmental function
30 and whose jurisdiction is coextensive with one or more counties, cities or towns; any
31 comprehensive community mental health center or comprehensive mental retardation facility
32 established, operated or licensed by the Secretary of Health and Human Resources pursuant to
33 section one, article two-a, chapter twenty-seven of this code, and which is supported in part by
34 state, county or municipal funds; and a combined city-county health department created pursuant
35 to article two, chapter sixteen of this code for their employees shall be the percentage of the cost
36 of the employees' insurance package as the employers determine reasonable and proper under
37 their own particular circumstances.

38 (e) For current employees, the premium contribution to the Public Employees Insurance
39 Agency for insurance coverage under this article shall be based upon the employee's total wages,
40 including salary and overtime pay received by the employee. The finance board shall promulgate
41 any necessary rules for the effective administration of this section.

42 ~~(e)~~ (f) The employee's proportionate share of the premium or cost shall be withheld or
43 deducted by the employer from the employee's salary or wages as and when paid and the sums
44 shall be forwarded to the director with any supporting data as the director may require.

45 ~~(f)~~ (g) All moneys received by the Public Employees Insurance Agency shall be deposited
46 in a special fund or funds as are necessary in the State Treasury and the Treasurer of the state
47 is custodian of the fund or funds and shall administer the fund or funds in accordance with the
48 provisions of this article or as the director may from time to time direct. The Treasurer shall pay
49 all warrants issued by the State Auditor against the fund or funds as the director may direct in
50 accordance with the provisions of this article. All funds received by the agency, including, but not
51 limited to, basic insurance premiums, administrative expenses and optional life insurance
52 premiums, shall be deposited, as determined by the director, in any of the investment pools with
53 the West Virginia Investment Management Board, including, but not limited to, the equity and
54 fixed income pools, with the interest income or other earnings a proper credit to all such funds for
55 the benefit of the Public Employees Insurance Agency.

56 ~~(g)~~ (h) The Public Employees Insurance Agency may recover an additional interest
57 amount from any employer that fails to pay in a timely manner any premium or minimum annual
58 employer payment, as defined in article sixteen-d of this chapter, which is due and payable to the
59 Public Employees Insurance Agency or the Retiree Health Benefit Trust. The agency may recover
60 the amount due plus an additional amount equal to two and one half percent per annum of the
61 amount due. Accrual of interest owed by the delinquent employer commences upon the thirty-first
62 day following the due date for the amount owed and shall continue until receipt by the Public
63 Employees Insurance Agency of the delinquent payment. Interest shall compound every thirty
64 days.

NOTE: The purpose of this bill is to require the Public Employee Insurance Agency finance board to base employee premiums on an employees' total wages, including both salary and overtime.

Strike-throughs indicate language that would be stricken from a heading or the present law,

and underscoring indicates new language that would be added.