

FILED

2010 MAR 24 PM 4: 53

**WEST VIRGINIA LEGISLATURE**  
**SEVENTY-NINTH LEGISLATURE**  
**REGULAR SESSION, 2010**

OFFICE OF THE SECRETARY OF STATE  
WEST VIRGINIA

—  
**ENROLLED**

**Senate Bill No. 442**

(BY SENATORS HELMICK AND UNGER)

[Passed March 13, 2010; in effect from passage.]

SB 442

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**Senate Bill No. 442**

(BY SENATORS HELMICK AND UNGER)

[Passed March 13, 2010; in effect from passage.]

AN ACT to amend and reenact §5-16D-1 of the Code of West Virginia, 1931, as amended, relating to clarifying that the Public Employees Insurance Agency Finance Board may offset annual retiree premium increases with amounts held in the trust.

*Be it enacted by the Legislature of West Virginia:*

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

**ARTICLE 16D. WEST VIRGINIA RETIREMENT HEALTH BENEFIT TRUST FUND.**

**§5-16D-1. Definitions.**

- 1 As used in this article, the term:
- 2 (a) “Actuarial accrued liability” means that portion, as
- 3 determined by a particular actuarial cost method, of the
- 4 actuarial present value of fund obligations and adminis-
- 5 trative expenses which is not provided by future normal
- 6 costs.

7 (b) "Actuarial cost method" means a method for deter-  
8 mining the actuarial present value of the obligations and  
9 administrative expenses of the fund and for developing an  
10 actuarially equivalent allocation of the value to time  
11 periods, usually in the form of a normal cost and an  
12 actuarial accrued liability. Acceptable actuarial methods  
13 are the aggregate, attained age, entry age, frozen attained  
14 age, frozen entry age and projected unit credit methods.

15 (c) "Actuarially sound" means that calculated contribu-  
16 tions to the fund are sufficient to pay the full actuarial  
17 cost of the fund. The full actuarial cost includes both the  
18 normal cost of providing for fund obligations as they  
19 accrue in the future and the cost of amortizing the un-  
20 funded actuarial accrued liability over a period of no more  
21 than thirty years.

22 (d) "Actuarial present value of total projected benefits"  
23 means the present value, at the valuation date, of the cost  
24 to finance benefits payable in the future, discounted to  
25 reflect the expected effects of the time value of money and  
26 the probability of payment.

27 (e) "Actuarial assumptions" means assumptions regard-  
28 ing the occurrence of future events affecting the fund such  
29 as mortality, withdrawal, disability and retirement;  
30 changes in compensation and offered post-employment  
31 benefits; rates of investment earnings and other asset  
32 appreciation or depreciation; procedures used to deter-  
33 mine the actuarial value of assets; and other relevant  
34 items.

35 (f) "Actuarial valuation" means the determination, as of  
36 a valuation date, of the normal cost, actuarial accrued  
37 liability, actuarial value of assets and related actuarial  
38 present values for the fund.

39 (g) "Administrative expenses" means all expenses  
40 incurred in the operation of the fund, including all invest-  
41 ment expenses.

42 (h) “Annual required contribution” means the amount  
43 employers must contribute in a given year to fully fund the  
44 trust, as determined by the actuarial valuation in accor-  
45 dance with requirements of generally accepted accounting  
46 principles. This amount shall represent a level of funding  
47 that if paid on an ongoing basis is projected to cover the  
48 normal cost each year and amortize any unfunded actuar-  
49 ial liabilities of the plan over a period not to exceed thirty  
50 years.

51 (i) “Board” means the Public Employees Insurance  
52 Agency Finance Board created in section four, article  
53 sixteen of this chapter.

54 (j) “Cost-sharing multiple employer plan” means a single  
55 plan with pooling (cost-sharing) arrangements for the  
56 participating employers. All risk, rewards, and costs,  
57 including benefit costs, are shared and not attributed  
58 individually to the employers. A single actuarial valuation  
59 covers all plan members and the same contribution rate  
60 applies for each employer.

61 (k) “Covered health care expenses” means all actual  
62 health care expenses paid by the health plan on behalf of  
63 fund beneficiaries. Actual health care expenses include  
64 claims payments to providers and premiums paid to  
65 intermediary entities and health care providers by the  
66 health plan.

67 (l) “Employer” means any employer as defined by  
68 section two, article sixteen of this chapter which has or  
69 will have retired employees in any Public Employees  
70 Insurance Agency health plan.

71 (m) “Employer annual required contribution” means the  
72 portion of the annual required contribution which is the  
73 responsibility of that particular employer.

74 (n) “Fund” means the West Virginia Retiree Health  
75 Benefit Trust Fund established under this article.

76 (o) "Fund beneficiaries" means all persons receiving  
77 post-employment health care benefits through the health  
78 plan.

79 (p) "Health plan" means the health insurance plan or  
80 plans established under article sixteen of this chapter.

81 (q) "Minimum annual employer payment" means the  
82 annual amount paid by employers which, when combined  
83 with the retirees' contributions on their premiums that  
84 year, provide sufficient funds such that the annual finance  
85 plan of the finance board will cover all projected retiree  
86 covered health care expenses and related administrative  
87 costs for that year. The finance board shall develop the  
88 minimum annual employer payment as part of its financial  
89 plan each year as addressed in section five, article sixteen  
90 of this chapter.

91 (r) "Normal cost" means that portion of the actuarial  
92 present value of the fund obligations and expenses which  
93 is allocated to a valuation year by the actuarial cost  
94 method used for the fund.

95 (s) "Obligations" means the administrative expenses of  
96 the fund and the cost of covered health care expenses  
97 incurred on behalf of fund beneficiaries.

98 (t) "Other post-employment benefits" or "retiree post-  
99 employment health care benefits" means those benefits as  
100 addressed by governmental accounting standards board  
101 statement no. 43 or any subsequent governmental stan-  
102 dards board statement that may be applicable to the fund.

103 (u) "Plan for other post-employment benefits" means the  
104 fiscal funding plan for retiree post-employment health  
105 care benefits as it relates to governmental accounting  
106 standards board statement no. 43 or any subsequent  
107 governmental accounting standards board statements that  
108 may be applicable to the fund.

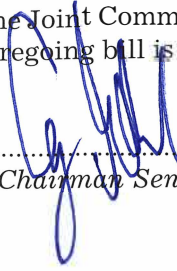
109 (v) "Retiree" means retired employee as defined by  
110 section two, article sixteen of this chapter.

111 (w) "Retirement system" or "system" means the West  
112 Virginia Consolidated Public Retirement Board created  
113 and established by article ten of this chapter and includes  
114 any retirement systems or funds administered or overseen  
115 by the Consolidated Public Retirement Board.

116 (x) "Unfunded actuarial accrued liability" means for any  
117 actuarial valuation the excess of the actuarial accrued  
118 liability over the actuarial value of the assets of the fund  
119 under an actuarial cost method used by the fund for  
120 funding purposes.




The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.


  
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*Chairman Senate Committee*

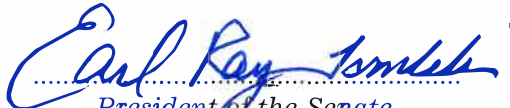
  
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*Chairman House Committee*

Originated in the Senate.



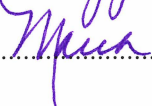
In effect from passage.

  
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*Clerk of the Senate*

  
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*Clerk of the House of Delegates*

  
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*President of the Senate*

  
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*Speaker House of Delegates*

The within  this the   
Day of  2010.

  
.....  
*Governor*

PRESENTED TO THE  
GOVERNOR

MAR 23 2010

Time 11:40 am