

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Introduced

House Bill 2507

FISCAL
NOTE

By Delegates Toney, Statler, Vance, Ellington,
Shamblin, Dittman, and Rohrbach

[Introduced February 17, 2025; referred to the
Committee on Finance]

1 A BILL to amend and reenact §5-16-13 of the Code of West Virginia, 1931, as amended, relating to
2 the use of accrued annual and sick leave for retirement service credit in the Teachers
3 Retirement System.

Be it enacted by the Legislature of West Virginia:

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 plans that shall be paid by the employer and
2 employee.

3 (b) Spouse and dependent coverage. —(1) An employee is entitled to have his or her
4 spouse and dependents included in any plan to which the employee is entitled to participate.

5 (2) The spouse and dependent coverage is limited to excess or secondary coverage for
6 each spouse and dependent who has primary coverage from any other source. If an employee's
7 spouse has health insurance available through an employer not defined in §5-16-2 of this code,
8 then the employer may not cover any portion of premiums for the employee's spouse coverage,
9 unless the employee adds his or her spouse to his or her coverage by paying the cost of the
10 actuarial value of the plan: *Provided*, That this does not apply to spouses of retired employees or
11 employers subject to §5-16-22 of this code. For purposes of this subsection, "actuarial value"
12 means the value as recommended by healthcare actuaries under §5-16-5 of this code.

13 The director may require proof regarding spouse and dependent primary coverage and
14 shall adopt rules governing the nature, discontinuance, and resumption of any employee's
15 coverage for his or her spouse and dependents.

16 (c) Continuation after termination. — If an employee participating in the plan is terminated
17 from employment involuntarily or in reduction of work force, the employee's insurance coverage
18 provided under this article shall continue for a period of three months at no additional cost to the
19 employee and the employer shall continue to contribute the employer's share of plan premiums for
20 the coverage. An employee discharged for misconduct shall may not be eligible for extended
21 benefits under this section. Coverage may be extended up to the maximum period of three
22 months, while administrative remedies contesting the charge of misconduct are pursued. If the
23 discharge for misconduct be upheld, the full cost of the extended coverage shall be reimbursed by
24 the employee. If the employee is again employed or recalled to active employment within 12
25 months of his or her prior termination, he or she shall may not be considered a new enrollee and
26 may not be required to again contribute his or her share of the premium cost if he or she had
27 already fully contributed such share during the prior period of employment.

28 (d) Conversion of accrued annual and sick leave for extended insurance coverage upon
29 retirement for employees who elected to participate in the plan before July 1988. — Except as
30 otherwise provided in subsection (g) of this section, when an employee participating in the plan,
31 who elected to participate in the plan before July 1, 1988, is compelled or required by law to retire
32 before reaching the age of 65, or when a participating employee voluntarily retires as provided by
33 law, that employee's accrued annual leave and sick leave, if any, shall be credited toward an
34 extension of the insurance coverage provided by this article, according to the following formulae:
35 The insurance coverage for a retired employee shall continue one additional month for every two
36 days of annual leave or sick leave, or both, which the employee had accrued as of the effective
37 date of his or her retirement. For a retired employee, his or her spouse and dependents, the
38 insurance coverage shall continue one additional month for every three days of annual leave or
39 sick leave, or both, which the employee had accrued as of the effective date of his or her
40 retirement.

41 (e) Conversion of accrued annual and sick leave for extended insurance coverage upon

42 retirement for employees who elected to participate in the plan after June, 1988. —
43 Notwithstanding subsection (d) of this section, and except as otherwise provided in subsections
44 (g) and (l) of this section, when an employee participating in the plan who elected to participate in
45 the plan on and after July 1, 1988, is compelled or required by law to retire before reaching the age
46 of 65, or when the participating employee voluntarily retires as provided by law, that employee's
47 annual leave or sick leave, if any, shall be credited toward one half of the premium cost of the
48 insurance provided by this article, for periods and scope of coverage determined according to the
49 following formulae: (1) One additional month of single retiree coverage for every two days of
50 annual leave or sick leave, or both, which the employee had accrued as of the effective date of his
51 or her retirement; or (2) one additional month of coverage for a retiree, his or her spouse, and
52 dependents for every three days of annual leave or sick leave, or both, which the employee had
53 accrued as of the effective date of his or her retirement. The remaining premium cost shall be
54 borne by the retired employee if he or she elects the coverage. For purposes of this subsection, an
55 employee who has been a participant under spouse or dependent coverage and who reenters the
56 plan within 12 months after termination of his or her prior coverage shall be considered to have
57 elected to participate in the plan as of the date of commencement of the prior coverage. For
58 purposes of this subsection, an employee shall not be considered a new employee after returning
59 from extended authorized leave on or after July 1, 1988.

60 (f) In the alternative to the extension of insurance coverage through premium payment
61 provided in subsections (d) and (e) of this section, the accrued annual leave and sick leave of an
62 employee participating in the plan may be applied, on the basis of two days' retirement service
63 credit for each one day of accrued annual and sick leave, toward an increase in the employee's
64 retirement benefits with those days constituting additional credited service in computation of the
65 benefits under any state retirement system: *Provided, That for a person who first becomes a*
66 *member of the Teachers Retirement System as provided in §18-7A-1 et seq. of this code on or*
67 *after July 1, 2015, accrued annual and sick leave of an employee participating in the plan may not*

68 ~~be applied for retirement service credit. *Provided, however*~~ That the additional credited service
69 shall not be used in meeting initial eligibility for retirement criteria, but only as additional service
70 credited in excess thereof.

71 (g) Conversion of accrued annual and sick leave for extended insurance coverage upon
72 retirement for certain higher education employees. Except as otherwise provided in subsection (k)
73 of this section, when an employee, who is a higher education full-time faculty member employed
74 on an annual contract basis other than for 12 months, is compelled or required by law to retire
75 before reaching the age of 65, or when such a participating employee voluntarily retires as
76 provided by law, that employee's insurance coverage, as provided by this article, shall be
77 extended according to the following formulae: The insurance coverage for a retired higher
78 education full-time faculty member, formerly employed on an annual contract basis other than for
79 12 months, shall continue beyond the effective date of his or her retirement one additional year for
80 each three and one-third years of teaching service, as determined by uniform guidelines
81 established by the University of West Virginia Board of Trustees and the Board of Directors of the
82 State College System, for individual coverage, or one additional year for each five years of
83 teaching service for family coverage.

84 (h) Retiree participation. —All retired employees are eligible to obtain health insurance
85 coverage. The retired employee's premium contribution for the coverage shall be established by
86 the finance board.

87 (i) Surviving spouse and dependent participation. — A surviving spouse and dependents
88 of a deceased employee, who was either an active or retired employee participating in the plan just
89 prior to his or her death, are entitled to be included in any comprehensive group health insurance
90 coverage provided under this article to which the deceased employee was entitled, and the
91 spouse and dependents shall bear the premium cost of the insurance coverage. The finance
92 board shall establish the premium cost of the coverage.

93 (j) Elected officials. — In construing the provisions of this section or any other provisions of

94 this code, the Legislature declares that it is not now, nor has it ever been the Legislature's intent
95 that elected public officials be provided any sick leave, annual leave, or personal leave, and the
96 enactment of this section is based upon the fact and assumption that no statutory or inherent
97 authority exists extending sick leave, annual leave, or personal leave to elected public officials,
98 and the very nature of those positions preclude the arising or accumulation of any leave so as to be
99 thereafter usable as premium paying credits for which the officials may claim extended insurance
100 benefits.

101 (k) Participation of certain former employees. — An employee, eligible for coverage under
102 the provisions of this article who has 20 years of service with any agency or entity participating in
103 the public employees insurance program or who has been covered by the public employees
104 insurance program for 20 years may, upon leaving employment with a participating agency or
105 entity, continue to be covered by the program if the employee pays 105 percent of the cost of
106 retiree coverage: *Provided*, That the employee shall elect to continue coverage under this
107 subsection within two years of the date the employment with a participating agency or entity is
108 terminated.

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

119 (m) Prohibition on conversion of accrued years of teaching service for extended coverage

120 upon retirement for new employees who elect to participate in the plan July, 2009. —Any
121 employee hired on or after July 1, 2009, who elects to participate in the plan may not apply accrued
122 years of teaching service toward the cost of premiums for extended insurance coverage upon his
123 or her retirement.

NOTE: The purpose of this bill is to allow accrued annual or sick leave to be used for retirement service credit in the Teachers Retirement System.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.