

1 H.494

2 Sec. E.108 3 V.S.A. § 479 is amended to read:

3 § 479. GROUP INSURANCE

4 (a)(1) As provided under section 631 of this title, a member who is insured  
5 by the respective group insurance plans immediately preceding the member's  
6 effective date of retirement shall be entitled to continuation of group insurance  
7 as follows:

8 ~~(A)~~(i) coverage in the group medical benefit plan provided by the  
9 State of Vermont for active State employees who are not eligible for Medicare;  
10 or

11 ~~(B)~~(ii) for a Group F and Group G plan member first included in the  
12 membership of the system on or after July 1, 2008, coverage in the group  
13 medical benefit plan offered by the State of Vermont for active State  
14 employees who are not eligible for Medicare and pursuant to the following,  
15 provided:

16 ~~(i)~~(I) a member who has completed five years and less than 10  
17 years of creditable service at the member's retirement shall pay the full cost of  
18 the premium;

19 ~~(ii)~~(II) a member who has completed 10 years and less than 15  
20 years of creditable service at the member's retirement shall pay 60 percent of  
21 the cost of the premium;

1           ~~(iii)~~(III) a member who has completed 15 years and less than 20  
2 years of creditable service at ~~his or her~~ the member's retirement shall pay 40  
3 percent of the cost of the premium;

4           ~~(iv)~~(IV) a member who has completed 20 years or more of  
5 creditable service at ~~his or her~~ the member's retirement shall pay 20 percent of  
6 the cost of the premium; and

7           ~~(2)~~(B) members who have completed 20 years of creditable service at  
8 their effective date of retirement shall be entitled to the continuation of life  
9 insurance in the amount of \$10,000.00.

10           (2) Notwithstanding any provision of subdivision (1)(A)(i) or (ii) of this  
11 subsection to the contrary, a member may be offered health coverage other  
12 than coverage in the group medical benefit plan provided by the State of  
13 Vermont for active State employees who are not eligible for Medicare if the  
14 following conditions are met:

15           (A) the alternative health coverage is substantially equivalent to the  
16 coverage offered through the group medical benefit plan provided by the State  
17 of Vermont for active State employees who are not eligible for Medicare; and

18           (B) the alternative health coverage is mutually agreeable to:

19           (i) the State;

20           (ii) the Vermont State Employees' Association;

21           (iii) the Vermont Troopers' Association; and

1                    (iv) the Vermont Retired State Employees' Association.

2            (b) As of July 1, 2007, members of the Group C plan who separate from  
3            service prior to being eligible for retirement benefits under this chapter, who  
4            have at least 20 years of creditable service, and who participated in the group  
5            medical benefit plan at the time of separation from service shall have a one-  
6            time option at the time retirement benefits commence to participate in the  
7            group medical benefit plan provided by the State of Vermont for active State  
8            employees who are not eligible for Medicare or any alternative health coverage  
9            provided pursuant to subdivision (a)(2) of this section. Premiums for the plan  
10           shall be prorated between the retired member and the Retirement System  
11           pursuant to section 631 of this title.

12           (c) Premiums for coverage of retired members of the Group C plan and  
13           their dependents in the group medical benefit plan or any alternative health  
14           coverage provided pursuant to subdivision (a)(2) of this section shall be  
15           prorated on the same basis as is provided for active employees by the current  
16           collective bargaining agreement for the nonmanagement unit. The amounts  
17           designated as the State's share of premium for the medical benefit plan and the  
18           total premium for group life insurance provided under subdivision (a)(2) of this  
19           section shall be paid by the Fund as an operating expense in accordance with  
20           subsection 473(d) of this title.

1 (d) After January 1, 2007, the State Treasurer may offer and administer a  
2 dental benefit plan for retired members, beneficiaries, eligible dependents, and  
3 eligible retirees of special affiliated groups and the dependents of members of  
4 those groups who are eligible for coverage in the State Employee Group  
5 Medical Benefit Plan or any alternative health coverage provided pursuant to  
6 subdivision (a)(2) of this section. The Plan shall be separate and apart from  
7 any dental benefit plan offered to Vermont State employees. The original plan  
8 of benefits, and any changes thereto, shall be determined by the State Treasurer  
9 with due consideration of recommendations from the Retired Employees'  
10 Committee on Insurance established in section 636 of this title.

11 \* \* \*

12 (3) Dependent eligibility shall be determined in the manner applied to  
13 determinations for coverage in the State Employee Medical Benefit Plan or any  
14 alternative health coverage provided pursuant to subdivision (a)(2) of this  
15 section.

16 (4) [Repealed.]

17 (e) As of January 1, 2007, and thereafter, upon retirement, members  
18 entitled to prorated group medical benefit plan premium payments from the  
19 Retirement System under the terms of this section shall have a one-time option  
20 to reduce the percentage of premium payments from the Retirement System  
21 during the member's life, with the provision that the Fund shall continue

1 making an equal percentage of premium payments after the member's death  
2 for the life of the dependent beneficiary nominated by the member under  
3 section 468 of this title, should such dependent beneficiary survive the  
4 member. The Retirement Board, after consultation with its actuary, shall  
5 establish reduced premium payment percentages that are as cost neutral to the  
6 Fund as possible.

7 (f) [Repealed.]

8 (g) A member of the Group F or Group G plan who is first included in the  
9 membership of the System on or after July 1, 2008, who separates from service  
10 prior to being eligible for retirement benefits under this chapter, who has at  
11 least 20 years of creditable service, and who participated in the group medical  
12 benefit plan at the time of separation from service shall have a one-time option  
13 at the time retirement benefits commence to reinstate the same level of  
14 coverage, in the group medical benefit plan provided by the State of Vermont  
15 for active State employees who are not eligible for Medicare or any alternative  
16 health coverage provided pursuant to subdivision (a)(2) of this section, that  
17 existed at the date of separation from service. Premiums for the plan shall be  
18 prorated between the retired member and the Retirement System pursuant to  
19 subsection 479(a) of this title.

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