

Sec. E.515 RETIRED TEACHERS' HEALTH CARE AND MEDICAL BENEFITS

(a) In accordance with 16 V.S.A. § 1944b(b)(2), \$35,093,844 shall be contributed to the Retired Teachers' Health and Medical Benefits plan.

~~(b) Of the appropriation in Sec. B.515, \$13,835,778 from the education fund is for the normal cost of the Retired Teachers' Health and Medical Benefits plan.~~

Sec. E.515.1 16 V.S.A § 1944b is amended to read:

§ 1944b. RETIRED TEACHERS' HEALTH AND MEDICAL BENEFITS FUND

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(b) The Benefits Fund shall consist of:

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~~(3) any monies pursuant to subsection (e)(h) of this section; and~~

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~~(h) Beginning on July 1, 2021, and annually thereafter, the annual contribution to be made to the Benefits Fund by the State shall be the sum of the following, each of which shall be made by separate appropriation:~~

~~(1) The amount determined by the State Treasurer to be necessary to pay all retiree health and medical benefits, including prescription drug benefits, due in accordance with subsection 1942(p) and section 1944e of this title on a pay-go basis for the fiscal year; plus~~

~~(2) The amount determined in the most recent actuarial valuation to be the "normal cost" for the same fiscal year as set forth in subsection (1) of this section, which shall be appropriated from the Education Fund. For purposes of this subsection, the "normal cost" shall be the amount that, if contributed over each member's prospective period of service, will be sufficient to provide for the payment of all future health and medical benefits after subtracting the unfunded actuarial liability and the total assets of the Benefits Fund. The "normal cost" shall be identified using the actuarial cost method known as "projected unit credit" and applying a rate of return equal to the most recently adopted actuarial rate of return pursuant to 3 V.S.A. § 523.~~

Sec. E.515.2 16 V.S.A § 4025(b)(4) is amended to read:

~~(4) To make payments to the Vermont Teachers' Retirement Fund and the Retired Teachers' Health and Medical Benefits Fund for the normal contribution in accordance with subsections 1944(c) and 1944b(h) of this title.~~

Sec. E.515.3 REPORT ON NORMAL COSTS AND OTHER CHARGES TO BE PART OF SCHOOL BUDGETS.

(a) The Treasurer shall report on the following:

(1) The feasibility of moving the normal costs expenses from the Education Fund to local education agencies.

(2) Assessing federal grants for the normal costs of these benefits in a manner currently charged for teacher pensions whose funding is provided from federal grants or through federal reimbursement pursuant to § 1944c.

(3) Reimbursement for employer health care benefits through the Elementary and Secondary School Emergency Relief Fund. The report shall be submitted to the General Assembly on or before January 15, 2022.