

LEGISLATORS HEALTH PLAN

2008 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Eric K. Hutchings

Senate Sponsor: _____

LONG TITLE**General Description:**

This bill modifies the Public Employees' Benefit and Insurance Program Act by amending health benefits offered to governors and legislators.

Highlighted Provisions:

This bill:

- ▶ requires that a health reimbursement arrangement benefit is the health benefit offered to new governors and legislators after July 1, 2008;
- ▶ allows existing legislators and the current governor to have the option to chose a health reimbursement arrangement benefit;
- ▶ requires the Public Employees Health Program to offer a federally qualified health reimbursement arrangement benefit for governors and legislators;
- ▶ provides that contributions to the health reimbursement arrangement benefit shall be made by the state; and
- ▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect on July 1, 2008.

Utah Code Sections Affected:

AMENDS:



28 **49-20-404**, as renumbered and amended by Laws of Utah 2002, Chapter 250

29 ENACTS:

30 **49-20-411**, Utah Code Annotated 1953

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Be it enacted by the Legislature of the state of Utah:

32 Section 1. Section **49-20-404** is amended to read:

33 **49-20-404. Governors' and legislative benefit -- Post-retirement health insurance.**

34 (1) The state shall pay the percentage described in Subsection (3) of the cost of
35 providing paid-up group health coverage policy for members and their surviving spouses
36 covered under Chapter 19, Utah Governors' and Legislators' Retirement Act who:

37 (a) were covered under the Utah Governors' and Legislators' Retirement Plan prior to
38 July 1, 2008;

39 ~~[(a)]~~ (b) retire after January 1, 1998;

40 ~~[(b)]~~ (c) are at least 62 but less than 65 years of age;

41 ~~[(c)]~~ (d) elect to receive and apply for this benefit to the program; and

42 ~~[(d)]~~ (e) are active members at the time of retirement or have retired and continued
43 coverage with the program until the date of eligibility for the benefit under this Subsection (1).

44 (2) The state shall pay the percentage described in Subsection (3) of the cost of
45 providing Medicare supplemental coverage for members and their surviving spouses covered
46 under Chapter 19, Utah Governors' and Legislators' Retirement Act who:

47 (a) were covered under the Utah Governors' and Legislators' Retirement Plan prior to
48 July 1, 2008;

49 ~~[(a)]~~ (b) retire after January 1, 1998;

50 ~~[(b)]~~ (c) are at least 65 years of age; and

51 ~~[(c)]~~ (d) elect to receive and apply for this benefit to the program.

52 (3) The following percentages apply to the benefit described in Subsections (1) and (2):

53 (a) 100% if the member has accrued 10 or more years of service credit;

54 (b) 80% if the member has accrued 8 or more years of service credit;

55 (c) 60% if the member has accrued 6 or more years of service credit; and

56 (d) 40% if the member has accrued 4 or more years of service credit.

57 (4) In lieu of the benefit provided under Subsections (1) and (2), the state shall pay an

amount equal to the cost of providing the benefit for each member qualified under Subsections (1)(b) through (e) or Subsections (2)(b) through (d) into a health reimbursement account under Section 49-20-411:

(a) as the post-retirement health benefit available to governors and legislators who initially enter office on or after July 1, 2008; and

(b) as an alternative post-retirement health benefit under this section available to governors and legislators who were in office prior to July 1, 2008.

Section 2. Section **49-20-411** is enacted to read:

49-20-411. Governor's and Legislative Health Reimbursement Arrangement benefit -- Contributions -- Vesting.

(1) (a) In addition to other employee benefit plans offered under this part, the office shall offer a federally qualified health reimbursement arrangement:

(i) as the health benefit available to governors and legislators who initially enter office on or after July 1, 2008; and

(ii) as an optional health benefit available only to governors and legislators who were in office prior to July 1, 2008.

(b) The provisions and limitations of the health reimbursement arrangement shall be determined by the office in accordance with federal requirements and limitations.

(2) The office shall set the amount of the contribution to the health reimbursement arrangement so that the cost paid by the state for the benefit is actuarially neutral with the plan with the highest enrollment of state employees that is paid by the state to its employees based on federal requirements limitations.

(3) Contributions to the health reimbursement arrangement shall be made by the state.

(4) The contributions shall vest immediately to the account or the number.

Section 3. **Effective date.**

This bill takes effect on July 1, 2008.

Legislative Review Note

as of 2-14-08 2:01 PM

Office of Legislative Research and General Counsel

H.B. 485 - Legislators Health Plan

Fiscal Note

2008 General Session

State of Utah

State Impact

Startup costs of \$2,000 will be paid from the existing budget of the Public Employees Health Program.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for businesses or local governments. Individuals who choose to participate in this program may be required to pay an additional \$2.50 per month for withdrawals.
