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JOHN D. ROCKEFELLER, IV  
GOVERNOR

**PUBLIC EMPLOYEES INSURANCE BOARD**

Embleton Building, Second Floor  
922 Quarrier Street  
Charleston, West Virginia 25301  
Telephone (304) 348-7850

NOTICE OF PUBLIC HEARING

Pursuant to Section five, Article three, Chapter twenty-nine-A of the Code of West Virginia, one thousand nine hundred thirty-one, as amended, the West Virginia Public Employees Insurance Board shall convene a public hearing in the Capitol Complex, Conference Center, Conference Room E, Building 7, Charleston, West Virginia on Thursday, July 19, 1984, at 3:30 P.M., for the purpose of taking evidence pertaining to the filing of proposed Legislative Rules.

The proposed rules to be discussed pertain to the implementation of House Bill 1429, allowing a credit for accrued sick and/or annual leave to be applied towards the monthly insurance premium for retirees; and the implementation of House Bill 1622, to provide additional Optional Life Insurance benefits to employees and to provide Optional Life Insurance benefits to eligible dependents.

Any citizen or other interested party may appear in person to present evidence. Any citizen or other interested party may submit written evidence to the West Virginia Public Employees Insurance Board, 922 Quarrier Street, 2nd. Floor, Embleton Building, Charleston, West Virginia, 25301, not later than Wednesday, July 18, 1984.

The issues to be heard shall be limited to the actual information contained in the proposed and above mentioned Legislative Rules. Copies of these proposed rules may be obtained from the West Virginia Public Employees Insurance Board, address heretofore appearing or by telephoning the Board at (304) 348-7850.

FILED IN THE OFFICE OF  
A. JAMES MANCHIN  
SECRETARY OF STATE

THIS DATE June 13, 1984  
Administrative Law Division

Si Galperin, Jr.  
Si Galperin, Jr.  
Executive Secretary

Entered

# FISCAL NOTE

(Submit 4 copies)

HD NO. \_\_\_\_\_ DRAFT NO. \_\_\_\_\_

EXPLAIN IN A CLEAR, CONCISE MANNER WHAT EFFECT THIS MEASURE WILL HAVE ON THE COSTS AND REVENUES OF STATE GOVERNMENT.

FISCAL NOTE TO Section 12 & Section 13 of the WV Public Employees Insurance Board Rules.

(GIVE BILL OR RESOLUTION NUMBER WHEN AVAILABLE. OTHERWISE IDENTIFY BY SUBJECT, CODE REFERENCE, ETC.)

These rules are necessitated by the passage in 1984 of H.B. 1429 which provides for crediting accrued annual leave and sick leave toward extended insurance coverage for retired employees, their spouses, and dependents; and the passage of H.B. 1622 which increases the maximum amount of optional life insurance available to the employee and provides for dependent life insurance coverage.

These rules provide for the implementation of these two bills.

Number of state employees who retired in 1983 - Teachers Retirement Board	= 920
Public Employees Retirement Board	= 563
TOTAL	= 1,483

Estimated average amount of leave accumulated:

2,197 State Agencies & Board of Regents employees (55 years of age & older)	= 84.77 days
39,153 School Board employees	= 146. days
ESTIMATED OVERALL AVERAGE	= 142. days

Assumptions based on 1983 retirees and enrollment:

69% under 65	(1,024)
31% over 65	(459)

56% single plan, 44% family plan

Total premium to be received Fiscal '85 (1,483 enrollees) at present rates = \$1,315,368

DATE

AGENCY

AUTHORIZED REPRESENTATIVE

6/13/84WV Public Employees Insurance Board*J. G. G. Jr.*

Executive Secretary

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ESTIMATED HEALTH CLAIMS

(Based on 1,483 new enrollees each year and a 15% increase in claims cost each year.)

<u>Year</u>	<u>Claims Cost</u>	<u>Number of Retirees Covered</u>
FY-85	\$ 2,778,057	1,483
FY-85	\$ 6,389,537	2,966
FY-85	\$11,021,948	4,449
FY-85	\$16,900,327	5,932

Estimated administrative costs to implement H.B. 1622 &amp; H.B. 1429 = \$10,000.

DATE

6/13/84

AGENCY

WV Public Employees Insurance Board

AUTHORIZED REPRESENTATIVE

SM OliverExecutive Secretary



PROPOSED LEGISLATIVE RULES

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE ACT

Chapter 5-16-1 et seq.

Series 1  
(1982)

Subject: Legislative rules pertaining to the general administration  
of the West Virginia Public Employees Insurance Plan.

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FILED IN THE OFFICE OF  
A. JAMES MANCHIN  
SECRETARY OF STATE  
THIS DATE 6-13-84  
Administrative Law Division

SECTION 13. OPTIONAL LIFE.

13.01. Employee Participation

(a) The board shall make available to member employees, at full cost to the employee, the opportunity to purchase optional group life and accidental death insurance in an amount not to exceed fifty thousand dollars (\$50,000) for life insurance and fifty thousand dollars (\$50,000) for accidental death insurance.

(b) The board shall also make available to member employees, at full cost to the employee, the opportunity to purchase said optional coverage for the employee's spouse and dependents, in an amount not to exceed five thousand dollars (\$5,000) for accidental death insurance for the spouse and not to exceed two thousand dollars (\$2,000) in life insurance and two thousand dollars (\$2,000) in accidental death insurance for each eligible dependent.

(c) The term "dependents" shall mean the same as defined in Section 2 of these rules.

(b) All employees of the State of West Virginia who retired after April 29, 1971; all employees of the West Virginia Board of Regents or of the county boards of education who retired after April 21, 1972; all employees of any county, city, or other participating agency who retired after July 13, 1973; ~~all employees who have been compelled or required by law to retire before reaching the age of sixty-five years,~~ and their spouses and dependents as defined by these rules may participate at ~~their~~ the retirees own expense for the total cost of the coverage, subject to the criteria set forth in section four of these rules and the provisions for earned extended insurance coverage set forth in section twelve of these rules.

(c) All dependents of deceased covered members, as defined by these rules, may participate at their own expense for the total cost of the coverage, subject to the criteria set forth in section four of these rules.

3.03. Benefits - The coverages provided for the various classes of participants shall be limited by the provisions of article 16, chapter 5 of the West Virginia Code of 1931, as amended, by these rules, and by the terms of the insurance contracts entered into by the Board.

3.04. Informational Material

(a) The Board shall provide to each participant informational material, in booklet or other format deemed appropriate, setting forth the benefits to which the participant is entitled, to whom such benefits shall be payable, to whom claims shall be submitted, and a summary of the provisions of any such contract or contracts as they affect the participant.

(b) Such informational material shall not, however, constitute any binding agreement or any obligation on behalf of the Board to provide services, and any interpretation by anyone other than the Board shall be invalid.

(c) The Board shall periodically prepare and distribute revised

SECTION 12. EARNED EXTENDED INSURANCE COVERAGE.

12.01. Eligibility

(a) On or after July 1, 1984, when a participating employee is compelled or required by law to retire before reaching the age of sixty-five, or when a participating employee voluntarily retires as provided by law, and, in either instance, such employee becomes a retired employee within the definition of W.Va. Code § 5-16-2, that employee's unpaid accrued annual leave and/or sick leave, if any, shall be credited toward an extension of the employee's insurance coverage provided under the Plan.

(b) A participating employee is an employee who has insurance coverage under the Plan in his/her name. An employee can qualify as a participating employee even if he/she has only basic life insurance in his/her name. A person who is merely a dependent in the Plan is not a participating employee for purposes of applying earned extended insurance coverage.

(c) When a participating employee retires, he/she must continue coverage in his/her own name in order to use the employee's unpaid accumulated sick and/or annual leave as a credit for earned extended insurance coverage under the Plan.

(d) A retired employee who wishes to continue his/her participation in the PEIB benefit plan after his/her earned extended insurance coverage has been used, must authorize a deduction from their retirement check by so indicating on their enrollment card at the time of initial enrollment. Such authorization may be revoked at any time.

A retired employee who fails to authorize the deduction must re-enroll in the PEIB prior to their last month of earned extended

insurance coverage or their participation in the plan will be terminated on the last day of the last month of earned extended insurance coverage.

(e) The amount of unpaid accrued annual leave and/or sick leave to which a retired employee shall be entitled shall be the amount that would be available to the employee should he/she continue active employment in lieu of retiring, less any leave days for which he/she is paid.

12.02. Formulae

The following formulae shall apply: Such insurance coverage for a retired employee shall continue one additional month for every two days of unpaid annual leave and/or sick leave which the employee has accrued as of the effective date of the employee's retirement. For a retired employee, his spouse and dependents, such insurance coverage shall continue one additional month for every three days of unpaid annual and/or sick leave which the employee had accrued as of the effective date of the employee's retirement.

There shall be no partial accreditation. Only fully accumulated months shall be eligible for accreditation. That is, any odd day of unpaid sick and/or annual leave remaining after the statutory formulae has been applied, shall not be credited toward a partial or fraction of a month's earned extended insurance coverage.

12.03. Certification

(a) For each employee retiring pursuant to this section, the employee's agency shall provide the following information on the employee's enrollment cards:

- (1) The number of accumulated unpaid sick and/or annual leave days to be credited to earned extended insurance coverage;
- (2) Whether the employee wants his/her unpaid accumulated sick and/or annual leave credited to a single or family plan;
- (3) The number of months of earned extended insurance coverage as calculated by the employee's agency; and
- (4) Whether the employee is a general or special revenue employee.

(b) The said employee's enrollment card shall be signed by the following persons:

- (1) The employee's payroll clerk;
- (2) The employee; and
- (3) The agency's chief administrative officer or designee. This signature shall be notarized.

#### 12.04. Family and Single Plan

(a) The retired employee can change his/her plan from SINGLE to FAMILY or vice versa at any time. The PEIB will then be responsible for recalculating the amount of remaining earned extended insurance coverage.

(b) If an employee changes from SINGLE to FAMILY, at the time of retirement or thereafter, the employee's dependents will be required to provide evidence of insurability acceptable to the PEIB before the dependent(s) will be enrolled.

(c) The death of an employee with the FAMILY plan any and all remaining earned extended insurance coverage. . . date of the employee's death, the dependents shall be entitled to continue their participation and coverage in the plan upon payment of the total cost for such coverage in accordance with Rule 12.05 of these rules.

12.05. Deferred Retirement

When a participating employee leaves state employment after July 1, 1984, pursuant to 12.01(a), but does not immediately become a member of a state retirement system, he/she can later choose to join the PEIB as a retired employee and apply his unpaid accumulated sick and/or annual leave to earned extended insurance coverage only if the said employee elects to re-enroll in the PEIB within twelve (12) months after the last date of active employment and provides evidence of insurability to the PEIB.

If an employee elects to retire and enroll in the PEIB later than twelve (12) months after he/she leaves active employment, then the employee is not eligible to apply any unpaid accumulated sick and/or annual leave to earned extended insurance coverage.

12.06. Non-state Agency

Employees of non-state agencies who retire pursuant to these rules may receive the earned extended insurance coverage if the employee's agency pays the PEIB for the amount of earned extended insurance coverage. If the agency fails to pay the cost, then the employee's earned extended insurance coverage will be terminated.

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(c) The term "dependents" shall mean the same as defined in Section 2 of these rules.

FILED  
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OFFICE OF THE SECRETARY OF STATE  
SECRETARY OF STATE