



HOUSE BILL 1027: Study Unfunded Liability/Retiree Health Fund.

2016-2017 General Assembly

Committee:	House Pensions and Retirement	Date:	May 24, 2016
Introduced by:	Rep. Horn	Prepared by:	Tawanda N Foster
Analysis of:	First Edition		Committee Co-Counsel

SUMMARY: *House Bill 1027 would establish a Joint Committee to Study the Unfunded Liability of the Retiree Health Benefit Fund.*

[As introduced, this bill was identical to S808, as introduced by Sens. Hartsell, Foushee, Krawiec, which is currently in Senate Rules and Operations of the Senate.]

BILL ANALYSIS: The bill establishes a Joint Committee to Study the Unfunded Liability of the Retiree Health Benefit Fund, as recommended by the Joint Legislative Program Evaluation Oversight Committee. The Committee will consist of 13 members and vacancies will be filled by the same appointing authority making the initial appointment. The Committee will examine the following options for reducing the unfunded liability of the Fund.

- (1) Increasing the assets in the Fund through appropriation by the General Assembly.
- (2) Increasing the costs of retiree benefits borne by the federal government
- (3) Reducing the State's future liability by transitioning the State's retiree health benefit to a defined contribution model.
- (4) Reducing the number of persons eligible for retiree benefits by increasing the service time requirements for the benefit or by eliminating the benefit for certain groups.
- (5) Requiring employees to contribute to the Retiree Health Benefit Fund.
- (6) Increasing the amount that retirees pay for their health benefits by means such as increasing premiums or out of pocket costs.
- (7) Any other proposals for reducing the unfunded liability of the Fund identified by the Committee.

The Committee shall issue a final report of its findings and recommendations, including any legislation necessary to implement those recommendations to the 2017 Session of the General Assembly.

EFFECTIVE DATE: The bill would become effective when it becomes law.

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Director



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Legislative Analysis
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