

## **Retired Employees**

Active employees who retire are eligible for PEIA health and life benefits, provided they meet the minimum eligibility requirements of the applicable State retirement system and if their last employer immediately prior to retirement: is a participating employer under the Consolidated Public Retirement Board (CPRB) and, as of July 1, 2008 forward, is a participating employer with the Public Employees Insurance Agency (PEIA). Active employees who, as of July 1, 2008, have ten years or more of credited service in the CPRB and whose employer at the time of their retirement does participate with CPRB, but does not participate with PEIA will be eligible for PEIA retiree coverage provided: they otherwise meet all criteria under this heading and their employer agrees, in writing, upon a form prescribed by PEIA, that the employer will pay to PEIA the non-participating retiree premium on behalf of the retiree or retirees, or that the retiree agrees to pay the entire unsubsidized premium themselves. Active employees who are members of the Teacher's Defined Contribution Retirement plan must be either: fifty-five years of age and have twelve or more years of credited service; or be at least sixty years of age with five years of service; and their last employer immediately prior to retirement must be a participating employer under that, or the CPRB system to qualify to continue PEIA insurance benefits upon retirement. Employees who participate in non-State retirement systems but that are CPRB system affiliated, contracted, or approved (such as TIAA-CREF and similar plans), or are approved, in writing, by the PEIA Director must, in the case of education employees, meet the minimum eligibility requirements of the State Teacher's Retirement System, and in all other cases meet the minimum eligibility requirements of the Public Employees Retirement System to be eligible for PEIA benefits as a retiree.

## **West Virginia Retiree Health Trust Participation (Retiree Trust)**

The Retiree Trust is intended to address the Other Postemployment Benefits (OPEB) liability of employers with current or future retirees participating in the PEIA health plans. State law mandates that all employers with employees who are eligible or who will become eligible to participate in PEIA as retirees are MANDATORY participants in the Retiree Trust. (W. Va. Code §§5-16d-1 et seq.)

Non-State employers may opt out of the Retiree Trust ONLY upon a written Certification, under oath, to PEIA that the employer has no employees who are eligible or who will become eligible to participate in the PEIA health plan as retirees. The employer must also agree to defend and hold PEIA harmless from any and all claims by employees of the employer requesting PEIA coverage. PEIA will provide forms for non-State employers wishing to opt out of the Retiree Trust. PEIA will use the following policies in determining whether or not to accept an employer's opt out request.

## WV OPEB Plan Participation Scenario and Policy Development Document

Table 1 is a list of various scenarios concerning participation in the WV OPEB Plan. All scenarios assume employers' participation with PEIA, as well as the current definition of "retired employee" as set out in WV Code §5-16-2. Table 2 is a list of policies corresponding to the various scenarios in Table 1.

Any employer that opts out of the WV OPEB plan, but remains in PEIA, must still contribute to the Trust at the minimum annual required payment (MARP) level, currently "paygo". When an employer opts out of the WV OPEB plan, they are opting out of retiree eligibility and the billing of the remaining ARC.

<b>Table 1</b>			
<b>List of Scenarios Regarding Employer WV OPEB Plan Participation</b>			
	<b>CPRB Participating Employer</b>	<b>Retirees in PEIA Currently</b>	<b>Retirees in PEIA in past</b>
<b>Employer Wishes to Opt Out of WV OPEB Plan</b>			
Scenario 1	Yes	Yes	Yes
Scenario 2	No	Yes	Yes
Scenario 3	No	No	Yes
Scenario 4	No	No	No
Scenario 5	Yes	No	No
<b>Employer Wishes to Participate in WV OPEB Plan</b>			
Scenario 6	No	No	No
Scenario 7	No	No	Yes
Scenario 8	No	Yes	Yes
Scenario 9	No	Yes	No
<b>No Action From Employer</b>			
Scenario 10	No	No	No
Scenario 11	No	No	Yes
Scenario 12	No	Yes	Yes
Scenario 13	No	Yes	No
<b>Table 2</b>			
<b>Policies For Scenarios Regarding Employer WV OPEB Plan Participation</b>			
<b>Employer Wishes to Opt Out of WV OPEB Plan</b>			
Scenario 1	Reject opt out request. Employer participates in both PEIA and CPRB.		
Scenario 2	Reject opt out request based on current PEIA retirees. Employer may be able to re-apply for opt out upon 5 years of no retiree participation in PEIA.		

<b>Table 2</b> (continued)	
Scenario 3	<p>Approve opt out request if employer signs hold harmless agreement and the past retiree participation is now beyond 5 years from last retiree's termination from PEIA; or</p> <p>Reject opt out request based on past retirees. Employer may be able to re-apply for opt out upon 5 years of no retiree participation in PEIA.</p>
Scenario 4	Approve opt out request if employer signs hold harmless agreement.
Scenario 5	Reject opt out request. Employer participates in both PEIA and CPRB.
<b>Employer Wishes to Participate in WV OPEB Plan</b>	
Scenario 6	Approve, if Director approves retirement plan.
Scenario 7, 8 and 9	<p>Approve, if Director approves retirement plan; or</p> <p>Effective January 1, 2013, new retirees must have 10 years of service as of January 1, 2013 to be eligible and Agency will be removed from the WV OPEB plan upon 5 years from last retiree's termination date.</p>
<b>No Action from Employer</b>	
Scenario 10	<p>Advise of new law and request decision to apply for approval of retirement plan.</p> <p>Failure to submit and receive approval of retirement plan will result in removal from WV OPEB plan eligibility.</p>
Scenario 11, 12 and 13	Advise of new law and request decision to apply for approval of retirement plan. Advise they had been grandfathered due to past or present participation and, without approval of retirement plan, effective January 1, 2013, new retirees must have 10 years of service as of January 1, 2013 to be eligible or employer may request to opt out if there have been no retirees in the last 5 years and signs a hold harmless agreement.

### **Employer Withdrawal from PEIA**

If a CPRB participating employer withdraws their active employees from PEIA, they may still be required to pay the non-participating premiums for their retirees remaining in PEIA; however, they will no longer be considered a participating employer in the WV OPEB. It will be the employer's responsibility to determine their OPEB expense and liability.