

IN THE SENATE

SENATE BILL NO. 1242

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

1 RELATING TO HEALTH REIMBURSEMENT ARRANGEMENTS; AMENDING CHAPTER 57, TITLE  
2 67, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 67-5761C, IDAHO CODE, TO  
3 PROVIDE HEALTH REIMBURSEMENT ARRANGEMENTS FOR STATE EMPLOYEES, TO DE-  
4 FINE TERMS AND TO PROVIDE FOR RULEMAKING AUTHORITY.  
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6 Be It Enacted by the Legislature of the State of Idaho:

7 SECTION 1. That Chapter 57, Title 67, Idaho Code, be, and the same is  
8 hereby amended by the addition thereto of a NEW SECTION, to be known and des-  
9 ignated as Section 67-5761C, Idaho Code, and to read as follows:

10 67-5761C. HEALTH REIMBURSEMENT ARRANGEMENTS FOR STATE EMPLOYEES. (1)  
11 The department of administration may offer a health reimbursement arrange-  
12 ment as an approved benefit for all state employees or officers whose em-  
13 ployer chooses to offer such a benefit to its employees or officers. All  
14 state employees or officers shall, for themselves and their eligible depen-  
15 dents, participate in a health reimbursement arrangement if the employer of  
16 such employees and officers chooses to offer the health reimbursement ar-  
17 rangement.

18 (2) For purposes of this section:

19 (a) "Health reimbursement arrangement" means an arrangement whereby  
20 employees may reimburse themselves for health care costs approved by  
21 the internal revenue service from a tax-exempt employee benefit trust  
22 known as a voluntary employees' beneficiary association.

23 (b) "Voluntary employees' beneficiary association" (VEBA) means a tax-  
24 exempt employee benefit trust governed under section 501(c)(9) of the  
25 Internal Revenue Code. A VEBA trust is managed by trustees elected by  
26 the employee members of the trust.

27 (3) The department of administration may promulgate rules to implement  
28 the provisions of this section.