

By: Representative Smith (27th)

To: Insurance;
Appropriations

HOUSE BILL NO. 746

1 AN ACT TO AMEND SECTION 25-15-15, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT THE STATE SHALL PAY THE FULL COST OF HEALTH
3 INSURANCE FOR RETIRED EMPLOYEES WHO HAVE QUALIFIED FOR A
4 DISABILITY RETIREMENT ALLOWANCE UNDER THE PUBLIC EMPLOYEES'
5 RETIREMENT SYSTEM; AND FOR RELATED PURPOSES.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

7 SECTION 1. Section 25-15-15, Mississippi Code of 1972, is
8 amended as follows:

9 25-15-15. The Department of Finance and Administration is
10 directed to study the feasibility of lowering the deductible
11 amounts for claims upon the above health insurance plan for each
12 active full-time employee and participating dependent, and shall
13 make a report to the Legislature and the Governor on or before
14 December 1, 1993. The state shall provide fifty percent (50%) of
15 the cost of the above life insurance plan and one hundred percent
16 (100%) of the cost of the above health insurance plan for all
17 active full-time employees and retired employees who are on a
18 disability retirement allowance under Section 25-11-113. The
19 active full-time employees shall be given the opportunity to
20 purchase coverage for their eligible dependents with the premiums
21 for such dependent coverage as well as the employee's fifty
22 percent (50%) share for his life insurance coverage to be
23 deductible from the employee's salary by the agency, department or
24 institution head, which deductions, together with the fifty
25 percent (50%) share of such life insurance premiums of such
26 employing agency, department or institution head from funds
27 appropriated to or authorized to be expended by such employing
28 agency, department or institution head, shall be deposited

29 directly into a depository bank or special fund in the State
30 Treasury, as determined by the department. These funds and
31 interest earned on these funds may be used for the disbursement of
32 claims and shall be exempt from the appropriation process. The
33 Department of Finance and Administration may establish and enforce
34 late charges and interest penalties or other penalties for the
35 purpose of requiring the prompt payment of all premiums for life
36 and health insurance permitted under Chapter 15 of Title 25. All
37 funds in excess of the amount needed for disbursement of claims
38 shall be deposited in a special fund in the State Treasury to be
39 known as the State Employees Insurance Fund. The State Treasurer
40 shall invest all funds in the State Employees Insurance Fund and
41 all interest earned shall be credited to the State Employees
42 Insurance Fund. Such funds shall be placed with one or more
43 depositories of the state and invested on the first day such funds
44 are available for investment in certificates of deposit,
45 repurchase agreements or in United States Treasury bills or as
46 otherwise authorized by law for the investment of Public
47 Employees' Retirement System funds, as long as such investment is
48 made from competitive offering and at the highest and best market
49 rate obtainable consistent with any available investment
50 alternatives; however, such investments shall not be made in
51 shares of stock, common or preferred, or in any other investments
52 which would mature more than one (1) year from the date of
53 investment. The department shall have the authority to draw from
54 this fund periodically such funds as are necessary to operate the
55 self-insurance plan or to pay to the insurance carrier the cost of
56 operation of this plan, it being the purpose to limit the amount
57 of participation by the state to fifty percent (50%) of the cost
58 of the life insurance program and not to limit the contracting for
59 additional benefits where the cost will be paid in full by the
60 employee. The state shall not share in the cost of coverage for
61 retired employees.

62 The department shall also provide for the creation of an
63 Insurance Reserve Fund and funds therein shall be invested by the
64 State Treasurer with all interest earned credited to the State
65 Employees Insurance Fund.

66 Except as otherwise provided herein for retired employees

67 receiving a disability retirement allowance, any retired employee
68 electing to purchase retired life and health insurance will have
69 the full cost of such insurance deducted monthly from his State of
70 Mississippi retirement plan check or direct billed for the cost of
71 the premium.

72 SECTION 2. This act shall take effect and be in force from
73 and after July 1, 1999.