

By: Senator(s) Furniss

To: Insurance;
Appropriations

SENATE BILL NO. 3044

1 AN ACT TO AMEND SECTION 25-15-15, MISSISSIPPI CODE OF 1972,
2 TO REQUIRE THE STATE TO PAY THE FULL COST OF HEALTH INSURANCE FOR
3 ANY RETIRED EMPLOYEE WHO RETIRED WITH 25 YEARS OF CREDITABLE
4 SERVICE IN THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND WHO ELECTS
5 TO CONTINUE COVERAGE UNDER THE STATE EMPLOYEES' HEALTH INSURANCE
6 PLAN; AND FOR RELATED PURPOSES. BE IT ENACTED BY THE
7 LEGISLATURE OF THE STATE OF MISSISSIPPI:

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

11 25-15-15. The Department of Finance and Administration is
12 directed to study the feasibility of lowering the deductible
13 amounts for claims upon the above health insurance plan for each
14 active full-time employee and participating dependent, and shall
15 make a report to the Legislature and the Governor on or before
16 December 1, 1993. The state shall provide fifty percent (50%) of
17 the cost of the above life insurance plan and one hundred percent
18 (100%) of the cost of the above health insurance plan for all
19 active full-time employees, and the employees shall be given the
20 opportunity to purchase coverage for their eligible dependents
21 with the premiums for such dependent coverage as well as the
22 employee's fifty percent (50%) share for his life insurance
23 coverage to be deductible from the employee's salary by the
24 agency, department or institution head, which deductions, together
25 with the fifty percent (50%) share of such life insurance premiums
26 of such employing agency, department or institution head from
27 funds appropriated to or authorized to be expended by such
28 employing agency, department or institution head, shall be
29 deposited directly into a depository bank or special fund in the
30 State 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 Any retired employee electing to purchase * * * life * * *
67 insurance under the provisions of this article will have the full
68 cost of such life insurance deducted monthly from his State of

69 Mississippi retirement plan check or direct billed for the cost of
70 the premium. The state shall pay the full cost of health
71 insurance for any retired employee who retired with twenty-five
72 (25) years of creditable service in the Public Employees'
73 Retirement System and who elects to continue such health insurance
74 coverage for himself under the provisions of this article. With
75 respect to any health insurance coverage purchased under the
76 provisions of this article by a retired employee for dependents,
77 the full cost of the premium for such dependent coverage shall be
78 deducted monthly from the retiree's State of Mississippi
79 retirement plan check.

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