

By: Davis

To: Insurance;  
Appropriations

HOUSE BILL NO. 62

1 AN ACT TO AMEND SECTION 25-15-15, MISSISSIPPI CODE OF 1972,  
2 TO PROVIDE THAT THE STATE SHALL PAY THE PREMIUMS FOR HEALTH  
3 INSURANCE FOR RETIRED STATE AND SCHOOL EMPLOYEES; AND FOR RELATED  
4 PURPOSES.

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

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

8 25-15-15. (1) The board is authorized to determine the  
9 manner in which premiums and contributions by the state agencies,  
10 local school districts, colleges, universities, community/junior  
11 colleges and public libraries shall be collected to provide the  
12 self-insured health insurance program for employees as provided  
13 under this article. The state shall provide fifty percent (50%)  
14 of the cost of the above life insurance plan and one hundred  
15 percent (100%) of the cost of the above health insurance plan for  
16 all active full-time employees, and the employees shall be given  
17 the opportunity to purchase coverage for their eligible dependents  
18 with the premiums for such dependent coverage as well as the  
19 employee's fifty percent (50%) share for his life insurance  
20 coverage to be deductible from the employee's salary by the  
21 agency, department or institution head, which deductions, together  
22 with the fifty percent (50%) share of such life insurance premiums

23 of such employing agency, department or institution head from  
24 funds appropriated to or authorized to be expended by such  
25 employing agency, department or institution head, shall be  
26 deposited directly into a depository bank or special fund in the  
27 State Treasury, as determined by the board. These funds and  
28 interest earned on these funds may be used for the disbursement of  
29 claims and shall be exempt from the appropriation process.

30 (2) The state shall provide annually, by line item in the  
31 Mississippi Library Commission appropriation bill, such funds to  
32 pay one hundred percent (100%) of the cost of health insurance  
33 under the State and School Employees Health Insurance Plan for all  
34 full-time library staff members in each public library in  
35 Mississippi. The commission shall allot to each public library a  
36 sufficient amount of those funds appropriated to pay the costs of  
37 insurance for eligible employees. Any funds so appropriated by  
38 line item which are not expended during the fiscal year for which  
39 such funds were appropriated shall be carried forward for the same  
40 purposes during the next succeeding fiscal year. If any premiums  
41 for the health insurance and/or late charges and interest  
42 penalties are not paid by a public library in a timely manner, as  
43 defined by the board, the Mississippi Library Commission, upon  
44 notice by the board, shall immediately withhold all subsequent  
45 disbursements of funds to that public library.

46 (3) The state shall annually provide one hundred percent  
47 (100%) of the cost of the health insurance plan for all public  
48 school district employees who work no less than twenty (20) hours  
49 during each week and regular nonstudent school bus drivers. Where  
50 federal funding is allowable to defray, in full or in part, the  
51 cost of participation in the program by district employees who  
52 work no less than twenty (20) hours during the week and regular  
53 nonstudent bus drivers, whose salaries are paid, in full or in

54 part, by federal funds, the allowance under this section shall be  
55 reduced to the extent of such federal funding. Where the use of  
56 federal funds is allowable but not available, it is the intent of  
57 the Legislature that school districts contribute the cost of  
58 participation for such employees from local funds, except that  
59 parent fees for child nutrition programs shall not be increased to  
60 cover such cost.

61 (4) The state shall provide annually, by line item in the  
62 community/junior college appropriation bill, such funds to pay one  
63 hundred percent (100%) of the cost of the health insurance plan  
64 for all community/junior college district employees who work no  
65 less than twenty (20) hours during each week.

66 (5) When the use of federal funding is allowable to defray,  
67 in full or in part, the cost of participation in the insurance  
68 plan by community/junior college district employees who work no  
69 less than twenty (20) hours during each week, whose salaries are  
70 paid, in full or in part, by federal funds, the allowance under  
71 this section shall be reduced to the extent of the federal  
72 funding. Where the use of federal funds is allowable but not  
73 available, it is the intent of the Legislature that  
74 community/junior college districts contribute the cost of  
75 participation for such employees from local funds.

76 (6) Any community/junior college district may contribute to  
77 the cost of coverage for any district employee from local  
78 community/junior college district funds, and any public school  
79 district may contribute to the cost of coverage for any district  
80 employee from nonminimum program funds. Any part of the cost of  
81 such coverage for participating employees of public school

82 districts and public community/junior college districts that is  
83 not paid by the state shall be paid by the participating  
84 employees, which shall be deducted from the salaries of the  
85 employees in a manner determined by the board.

86 (7) Any funds appropriated for the cost of insurance by line  
87 item in the community/junior colleges appropriation bill which are  
88 not expended during the fiscal year for which such funds were  
89 appropriated shall be carried forward for the same purposes during  
90 the next succeeding fiscal year.

91 (8) The board may establish and enforce late charges and  
92 interest penalties or other penalties for the purpose of requiring  
93 the prompt payment of all premiums for life and health insurance  
94 permitted under Chapter 15 of Title 25. All funds in excess of  
95 the amount needed for disbursement of claims shall be deposited in  
96 a special fund in the State Treasury to be known as the State and  
97 School Employees Insurance Fund. The State Treasurer shall invest  
98 all funds in the State and School Employees Insurance Fund and all  
99 interest earned shall be credited to the State and School  
100 Employees Insurance Fund. Such funds shall be placed with one or  
101 more depositories of the state and invested on the first day such  
102 funds are available for investment in certificates of deposit,  
103 repurchase agreements or in United States Treasury bills or as  
104 otherwise authorized by law for the investment of Public  
105 Employees' Retirement System funds, as long as such investment is  
106 made from competitive offering and at the highest and best market  
107 rate obtainable consistent with any available investment  
108 alternatives; however, such investments shall not be made in  
109 shares of stock, common or preferred, or in any other investments

110 which would mature more than one (1) year from the date of  
111 investment. The board shall have the authority to draw from this  
112 fund periodically such funds as are necessary to operate the  
113 self-insurance plan or to pay to the insurance carrier the cost of  
114 operation of this plan, it being the purpose to limit the amount  
115 of participation by the state to fifty percent (50%) of the cost  
116 of the life insurance program and not to limit the contracting for  
117 additional benefits where the cost will be paid in full by the  
118 employee. The state shall not share in the cost of coverage for  
119 retired employees.

120 (9) The board shall also provide for the creation of an  
121 Insurance Reserve Fund and funds therein shall be invested by the  
122 State Treasurer with all interest earned credited to the State and  
123 School Employees Insurance Fund.

124 (10) The state shall provide one hundred percent (100%) of  
125 the cost of the health insurance plan for retired employees. Any  
126 retired employee electing to purchase retired life insurance or  
127 health insurance for his dependents shall have the \* \* \* cost of  
128 the premium for the dependent coverage and the premium for the  
129 life insurance deducted monthly from his State of Mississippi  
130 retirement plan check or direct billed for the cost of the premium  
131 if the retirement check is insufficient to pay for the premium.  
132 If the board determines actuarially that the premium paid for the  
133 participating retirees adversely affects the overall cost of the  
134 plan to the state, then the department may impose a premium  
135 surcharge, not to exceed fifteen percent (15%), upon such  
136 participating retired employees who are under the age for Medicare  
137 eligibility.

138           SECTION 2. This act shall take effect and be in force from  
139 and after July 1, 2000.