

By: Smith (27th)

To: Insurance;
Appropriations

HOUSE BILL NO. 228

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. (1) The board is authorized to determine the
10 manner in which premiums and contributions by the state agencies,
11 local school districts, colleges, universities, community/junior
12 colleges and public libraries shall be collected to provide the
13 self-insured health insurance program for employees as provided
14 under this article. The state shall provide fifty percent (50%)
15 of the cost of the above life insurance plan and one hundred
16 percent (100%) of the cost of the above health insurance plan for
17 all 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 board. These funds and interest
31 earned on these funds may be used for the disbursement of claims
32 and shall be exempt from the appropriation process.

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

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

54 cost of participation in the program by district employees who
55 work no less than twenty (20) hours during the week and regular
56 nonstudent bus drivers, whose salaries are paid, in full or in
57 part, by federal funds, the allowance under this section shall be
58 reduced to the extent of such federal funding. Where the use of
59 federal funds is allowable but not available, it is the intent of
60 the Legislature that school districts contribute the cost of
61 participation for such employees from local funds, except that
62 parent fees for child nutrition programs shall not be increased to
63 cover such cost.

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

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

79 (6) Any community/junior college district may contribute to
80 the cost of coverage for any district employee from local
81 community/junior college district funds, and any public school

82 district may contribute to the cost of coverage for any district
83 employee from nonminimum program funds. Any part of the cost of
84 such coverage for participating employees of public school
85 districts and public community/junior college districts that is
86 not paid by the state shall be paid by the participating
87 employees, which shall be deducted from the salaries of the
88 employees in a manner determined by the board.

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

94 (8) The board may establish and enforce late charges and
95 interest penalties or other penalties for the purpose of requiring
96 the prompt payment of all premiums for life and health insurance
97 permitted under Chapter 15 of Title 25. All funds in excess of
98 the amount needed for disbursement of claims shall be deposited in
99 a special fund in the State Treasury to be known as the State and
100 School Employees Insurance Fund. The State Treasurer shall invest
101 all funds in the State and School Employees Insurance Fund and all
102 interest earned shall be credited to the State and School
103 Employees Insurance Fund. Such funds shall be placed with one or
104 more depositories of the state and invested on the first day such
105 funds are available for investment in certificates of deposit,
106 repurchase agreements or in United States Treasury bills or as
107 otherwise authorized by law for the investment of Public
108 Employees' Retirement System funds, as long as such investment is
109 made from competitive offering and at the highest and best market

rate obtainable consistent with any available investment alternatives; however, such investments shall not be made in shares of stock, common or preferred, or in any other investments which would mature more than one (1) year from the date of investment. The board shall have the authority to draw from this fund periodically such funds as are necessary to operate the self-insurance plan or to pay to the insurance carrier the cost of operation of this plan, it being the purpose to limit the amount of participation by the state to fifty percent (50%) of the cost of the life insurance program and not to limit the contracting for additional benefits where the cost will be paid in full by the employee. The state shall not share in the cost of coverage for retired employees.

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

(10) Except as otherwise provided herein for retired employees receiving a disability retirement allowance, any retired employee electing to purchase retired life and health insurance will have the full cost of such insurance deducted monthly from his State of Mississippi retirement plan check or direct billed for the cost of the premium if the retirement check is insufficient to pay for the premium. If the board determines actuarially that the premium paid by the participating retirees adversely affects the overall cost of the plan to the state, then the department may impose a premium surcharge, not to exceed fifteen percent (15%), upon such participating retired employees

138 who are under the age for Medicare eligibility.

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