

By: Senator(s) Carmichael

To: Insurance;  
Appropriations

SENATE BILL NO. 2101

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 RETIRED EMPLOYEES WHO RETIRED WITH AT LEAST 30 YEARS OF CREDITABLE  
4 SERVICE IN THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM; AND FOR  
5 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 the employees shall be given  
18 the opportunity to purchase coverage for their eligible dependents  
19 with the premiums for such dependent coverage as well as the  
20 employee's fifty percent (50%) share for his life insurance  
21 coverage to be deductible from the employee's salary by the  
22 agency, department or institution head, which deductions, together  
23 with the fifty percent (50%) share of such life insurance premiums  
24 of such employing agency, department or institution head from  
25 funds appropriated to or authorized to be expended by such  
26 employing agency, department or institution head, shall be  
27 deposited directly into a depository bank or special fund in the  
28 State Treasury, as determined by the board. These funds and



29 interest earned on these funds may be used for the disbursement of  
30 claims and shall be exempt from the appropriation process.

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

47 (3) The state shall annually provide one hundred percent  
48 (100%) of the cost of the health insurance plan for all public  
49 school district employees who work no less than twenty (20) hours  
50 during each week and regular nonstudent school bus drivers. Where  
51 federal funding is allowable to defray, in full or in part, the  
52 cost of participation in the program by district employees who  
53 work no less than twenty (20) hours during the week and regular  
54 nonstudent bus drivers, whose salaries are paid, in full or in  
55 part, by federal funds, the allowance under this section shall be  
56 reduced to the extent of such federal funding. Where the use of  
57 federal funds is allowable but not available, it is the intent of  
58 the Legislature that school districts contribute the cost of  
59 participation for such employees from local funds, except that  
60 parent fees for child nutrition programs shall not be increased to  
61 cover such cost.



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

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

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

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

92 (8) The board may establish and enforce late charges and  
93 interest penalties or other penalties for the purpose of requiring  
94 the prompt payment of all premiums for life and health insurance



95 permitted under Chapter 15 of Title 25. All funds in excess of  
96 the amount needed for disbursement of claims shall be deposited in  
97 a special fund in the State Treasury to be known as the State and  
98 School Employees Insurance Fund. The State Treasurer shall invest  
99 all funds in the State and School Employees Insurance Fund and all  
100 interest earned shall be credited to the State and School  
101 Employees Insurance Fund. Such funds shall be placed with one or  
102 more depositories of the state and invested on the first day such  
103 funds are available for investment in certificates of deposit,  
104 repurchase agreements or in United States Treasury bills or as  
105 otherwise authorized by law for the investment of Public  
106 Employees' Retirement System funds, as long as such investment is  
107 made from competitive offering and at the highest and best market  
108 rate obtainable consistent with any available investment  
109 alternatives; however, such investments shall not be made in  
110 shares of stock, common or preferred, or in any other investments  
111 which would mature more than one (1) year from the date of  
112 investment. The board shall have the authority to draw from this  
113 fund periodically such funds as are necessary to operate the  
114 self-insurance plan or to pay to the insurance carrier the cost of  
115 operation of this plan, it being the purpose to limit the amount  
116 of participation by the state to fifty percent (50%) of the cost  
117 of the life insurance program and not to limit the contracting for  
118 additional benefits where the cost will be paid in full by the  
119 employee. The state shall not share in the cost of coverage for  
120 retired employees.

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

125 (10) Any retired employee electing to purchase \* \* \*  
126 life \* \* \* insurance under the provisions of this article will  
127 have the full cost of the life insurance deducted monthly from his



128 State of Mississippi retirement plan check or direct billed for  
129 the cost of the premium if the retirement check is insufficient to  
130 pay for the premium.

131 (11) Any retired employee electing to purchase health  
132 insurance under the provisions of this article will have the full  
133 cost of the health insurance deducted monthly from his State of  
134 Mississippi retirement plan check or direct billed for the cost of  
135 the premium. However, the state shall pay the full cost of health  
136 insurance for any retired employee who retired with at least  
137 thirty (30) years of creditable service in the Public Employees'  
138 Retirement System and who elects to continue his health insurance  
139 coverage. With respect to any health insurance coverage provided  
140 under the provisions of this article for a retired employee for  
141 dependents, the full cost of the premium for such dependent  
142 coverage shall be deducted monthly from the retiree's State of  
143 Mississippi retirement plan check. If the board determines  
144 actuarially that the premium paid by the participating retirees  
145 adversely affects the overall cost of the plan to the state, then  
146 the department may impose a premium surcharge, not to exceed  
147 fifteen percent (15%), upon such participating retired employees  
148 who are under the age for Medicare eligibility.

149 SECTION 2. This act shall take effect and be in force from  
150 and after July 1, 2001.

