

By: Senator(s) Carmichael

To: Appropriations

SENATE BILL NO. 2908

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, 2002.

