

By: Representative Watson

To: Insurance;
Appropriations

HOUSE BILL NO. 578

1 AN ACT TO AMEND SECTION 25-15-15, MISSISSIPPI CODE OF 1972,
2 TO ALLOW RETIRING JUDGES OF CHANCERY AND CIRCUIT COURTS, THE COURT
3 OF APPEALS AND THE SUPREME COURT TO CONTINUE TO RECEIVE STATE
4 INSURANCE COVERAGE AT THEIR OWN EXPENSE; AND FOR RELATED 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 **[Through June 30 of the year in which Section 25-11-143**
9 **becomes effective as provided in subsection (1) of Section**
10 **25-11-143, this section shall read as follows:]**

11 25-15-15. (1) The board is authorized to determine the
12 manner in which premiums and contributions by the state agencies,
13 local school districts, colleges, universities, community/junior
14 colleges and public libraries shall be collected to provide the
15 self-insured health insurance program for employees as provided
16 under this article. The state shall provide fifty percent (50%)
17 of the cost of the above life insurance plan and one hundred
18 percent (100%) of the cost of the above health insurance plan for
19 all active full-time employees, and the employees shall be given
20 the 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 board. 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.

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

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



127 (10) Except as otherwise provided in subsection (11), any
128 retired employee electing to purchase retired life and health
129 insurance will have the full cost of such insurance deducted
130 monthly from his State of Mississippi retirement plan check or
131 direct billed for the cost of the premium if the retirement check
132 is insufficient to pay for the premium. If the board determines
133 actuarially that the premium paid by the participating retirees
134 adversely affects the overall cost of the plan to the state, then
135 the department may impose a premium surcharge, not to exceed
136 fifteen percent (15%), upon such participating retired employees
137 who are under the age for Medicare eligibility.

138 (11) Retiring judges of the chancery and circuit court, the
139 Court of Appeals and the Supreme Court may continue to receive
140 insurance coverage under this section at their own expense.

141 **[From and after July 1 of the year in which Section 25-11-143**
142 **becomes effective as provided in subsection (1) of Section**
143 **25-11-143, this section shall read as follows:]**

144 25-15-15. (1) The board may determine the manner in which
145 premiums and contributions by the state agencies, local school
146 districts, colleges, universities, community/junior colleges and
147 public libraries will be collected to provide the self-insured
148 health insurance program for employees as provided under this
149 article. The state shall provide fifty percent (50%) of the cost
150 of the above life insurance plan and one hundred percent (100%) of
151 the cost of the above health insurance plan for all active
152 full-time employees. The employees shall be given the opportunity
153 to purchase coverage for their eligible dependents with the
154 premiums for the dependent coverage, as well as the employee's
155 fifty percent (50%) share for his life insurance coverage, to be
156 deductible from the employee's salary by the agency, department or
157 institution head. Those deductions, together with the fifty
158 percent (50%) share of the life insurance premiums of the
159 employing agency, department or institution head from funds



160 appropriated to or authorized to be expended by the employing
161 agency, department or institution head, shall be deposited
162 directly into a depository bank or special fund in the State
163 Treasury, as determined by the board. These funds and interest
164 earned on these funds may be used for the disbursement of claims
165 and shall be exempt from the appropriation process.

166 (2) The state shall provide annually, by line item in the
167 Mississippi Library Commission appropriation bill, the funds to
168 pay one hundred percent (100%) of the cost of health insurance
169 under the State and School Employees Health Insurance Plan for all
170 full-time library staff members in each public library in
171 Mississippi. The commission shall allot to each public library a
172 sufficient amount of those funds appropriated to pay the costs of
173 insurance for eligible employees. Any funds so appropriated by
174 line item that are not expended during the fiscal year for which
175 the funds were appropriated shall be carried forward for the same
176 purposes during the next succeeding fiscal year. If any premiums
177 for the health insurance and/or late charges and interest
178 penalties are not paid by a public library in a timely manner, as
179 defined by the board, the Mississippi Library Commission, upon
180 notice by the board, shall immediately withhold all subsequent
181 disbursements of funds to that public library.

182 (3) The state shall annually provide one hundred percent
183 (100%) of the cost of the health insurance plan for all public
184 school district employees who work no less than twenty (20) hours
185 during each week and regular nonstudent school bus drivers. Where
186 federal funding is allowable to defray, in full or in part, the
187 cost of participation in the program by district employees who
188 work no less than twenty (20) hours during the week and regular
189 nonstudent bus drivers, whose salaries are paid, in full or in
190 part, by federal funds, the allowance under this section shall be
191 reduced to the extent of that federal funding. Where the use of
192 federal funds is allowable but not available, it is the intent of



193 the Legislature that school districts contribute the cost of
194 participation for the employees from local funds, except that
195 parent fees for child nutrition programs shall not be increased to
196 cover that cost.

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

202 (5) When the use of federal funding is allowable to defray,
203 in full or in part, the cost of participation in the insurance
204 plan by community/junior college district employees who work no
205 less than twenty (20) hours during each week, whose salaries are
206 paid, in full or in part, by federal funds, the allowance under
207 this section shall be reduced to the extent of the federal
208 funding. Where the use of federal funds is allowable but not
209 available, it is the intent of the Legislature that
210 community/junior college districts contribute the cost of
211 participation for the employees from local funds.

212 (6) Any community/junior college district may contribute to
213 the cost of coverage for any district employee from local
214 community/junior college district funds, and any public school
215 district may contribute to the cost of coverage for any district
216 employee from nonminimum program funds. Any part of the cost of
217 the coverage for participating employees of public school
218 districts and public community/junior college districts that is
219 not paid by the state shall be paid by the participating
220 employees, which shall be deducted from the salaries of the
221 employees in a manner determined by the board.

222 (7) Any funds appropriated for the cost of insurance by line
223 item in the community/junior colleges appropriation bill that are
224 not expended during the fiscal year for which the funds were



225 appropriated shall be carried forward for the same purposes during
226 the next succeeding fiscal year.

227 (8) The board may establish and enforce late charges and
228 interest penalties or other penalties for the purpose of requiring
229 the prompt payment of all premiums for life and health insurance
230 permitted under Chapter 15 of Title 25. All funds in excess of
231 the amount needed for disbursement of claims shall be deposited in
232 a special fund in the State Treasury to be known as the State and
233 School Employees Insurance Fund. The State Treasurer shall invest
234 all funds in the State and School Employees Insurance Fund and all
235 interest earned shall be credited to the State and School
236 Employees Insurance Fund. Those funds shall be placed with one or
237 more depositories of the state and invested on the first day that
238 the funds are available for investment in certificates of deposit,
239 repurchase agreements or in United States Treasury bills or as
240 otherwise authorized by law for the investment of Public
241 Employees' Retirement System funds, as long as the investment is
242 made from competitive offering and at the highest and best market
243 rate obtainable consistent with any available investment
244 alternatives. However, those investments shall not be made in
245 shares of stock, common or preferred, or in any other investments
246 that would mature more than one (1) year from the date of
247 investment. The board shall have the authority to draw from this
248 fund periodically such funds as are necessary to operate the
249 self-insurance plan or to pay to the insurance carrier the cost of
250 operation of this plan, it being the purpose to limit the amount
251 of participation by the state to fifty percent (50%) of the cost
252 of the life insurance program and not to limit the contracting for
253 additional benefits where the cost will be paid in full by the
254 employee.

255 (9) The board shall also provide for the creation of an
256 Insurance Reserve Fund, and funds in the reserve fund shall be



257 invested by the State Treasurer with all interest earned credited
258 to the State and School Employees Insurance Fund.

259 (10) Retiring judges of the chancery and circuit court, the
260 Court of Appeals and the Supreme Court may continue to receive
261 insurance coverage under this section at their own expense.

262 **SECTION 2.** This act shall take effect and be in force from
263 and after July 1, 2003.

