

By: Representative Watson

To: Insurance;
Appropriations

HOUSE BILL NO. 579

1 AN ACT TO AMEND SECTIONS 25-15-3 AND 25-15-15, MISSISSIPPI
2 CODE OF 1972, TO PROVIDE THAT A JUDGE WHO RESIGNS DUE TO A
3 DISABILITY SHALL CONTINUE TO RECEIVE STATE INSURANCE COVERAGE FOR
4 THE REMAINDER OF THE TERM TO WHICH SUCH JUDGE WAS ELECTED; AND FOR
5 RELATED PURPOSES.

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

7 **SECTION 1.** Section 25-15-3, Mississippi Code of 1972, is
8 amended as follows:

9 **[Through June 30 of the year in which Section 25-11-143**
10 **becomes effective as provided in subsection (1) of Section**
11 **25-11-143, this section shall read as follows:]**

12 25-15-3. For the purposes of this article, the words and
13 phrases used herein shall have the following meanings:

14 (a) "Employee" means a person who works full time for
15 the State of Mississippi and receives his compensation in a direct
16 payment from a department, agency or institution of the state
17 government and any person who works full time for any school
18 district, community/junior college, public library or
19 university-based program authorized under Section 37-23-31 for
20 deaf, aphasic and emotionally disturbed children or any regular
21 nonstudent bus driver. This shall include legislators, employees
22 of the legislative branch and the judicial branch of the state and
23 "employees" shall include full-time salaried judges and full-time
24 district attorneys and their staff and full-time compulsory school
25 attendance officers and judges who resign due to a disability for
26 the remainder of the term to which the judge was elected. For the
27 purposes of this article, any "employee" making contributions to



28 the State of Mississippi retirement plan shall be considered a
29 full-time employee.

30 (b) "Department" means the Department of Finance and
31 Administration.

32 (c) "Plan" means the State and School Employees Life
33 and Health Insurance Plan created under this article.

34 (d) "Fund" means the State and School Employees
35 Insurance Fund set up under this article.

36 (e) "Retiree" means any employee retired under the
37 Mississippi retirement plan.

38 (f) "Board" means the State and School Employees Health
39 Insurance Management Board created under Section 25-15-303.

40 **[From and after July 1 of the year in which Section 25-11-143**
41 **becomes effective as provided in subsection (1) of Section**
42 **25-11-143, this section shall read as follows:]**

43 25-15-3. For the purposes of this article, the words and
44 phrases used in this section shall have the following meanings:

45 (a) "Employee" means a person who works full time for
46 the State of Mississippi and receives his compensation in a direct
47 payment from a department, agency or institution of the state
48 government, and any person who works full time for any school
49 district, community/junior college, public library,
50 university-based program authorized under Section 37-23-31 for
51 deaf, aphasic and emotionally disturbed children, or any regular
52 nonstudent bus driver. This term includes legislators, employees
53 of the legislative branch and the judicial branch of the state,
54 full-time salaried judges and full-time district attorneys and
55 their staff, and full-time compulsory school attendance officers
56 and judges who resign due to a disability for the remainder of the
57 term to which the judge was elected. For the purposes of this
58 article, any "employee" making contributions to the Public
59 Employees' Retirement System or the Highway Safety Patrol
60 Retirement System shall be considered a full-time employee.



61 (b) "Department" means the Department of Finance and
62 Administration.

63 (c) "Plan" means the State and School Employees Life
64 and Health Insurance Plan created under this article.

65 (d) "Fund" means the State and School Employees
66 Insurance Fund set up under this article.

67 (e) "Board" means the State and School Employees Health
68 Insurance Management Board created under Section 25-15-303.

69 **SECTION 2.** Section 25-15-15, Mississippi Code of 1972, is
70 amended as follows:

71 **[Through June 30 of the year in which Section 25-11-143**
72 **becomes effective as provided in subsection (1) of Section**
73 **25-11-143, this section shall read as follows:]**

74 25-15-15. (1) The board is authorized to determine the
75 manner in which premiums and contributions by the state agencies,
76 local school districts, colleges, universities, community/junior
77 colleges and public libraries shall be collected to provide the
78 self-insured health insurance program for employees as provided
79 under this article. The state shall provide fifty percent (50%)
80 of the cost of the above life insurance plan and one hundred
81 percent (100%) of the cost of the above health insurance plan for
82 all active full-time employees, and the employees shall be given
83 the opportunity to purchase coverage for their eligible dependents
84 with the premiums for such dependent coverage as well as the
85 employee's fifty percent (50%) share for his life insurance
86 coverage to be deductible from the employee's salary by the
87 agency, department or institution head, which deductions, together
88 with the fifty percent (50%) share of such life insurance premiums
89 of such employing agency, department or institution head from
90 funds appropriated to or authorized to be expended by such
91 employing agency, department or institution head, shall be
92 deposited directly into a depository bank or special fund in the
93 State Treasury, as determined by the board. These funds and



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

96 (2) The state shall provide annually, by line item in the
97 Mississippi Library Commission appropriation bill, such funds to
98 pay one hundred percent (100%) of the cost of health insurance
99 under the State and School Employees Health Insurance Plan for all
100 full-time library staff members in each public library in
101 Mississippi. The commission shall allot to each public library a
102 sufficient amount of those funds appropriated to pay the costs of
103 insurance for eligible employees. Any funds so appropriated by
104 line item which are not expended during the fiscal year for which
105 such funds were appropriated shall be carried forward for the same
106 purposes during the next succeeding fiscal year. If any premiums
107 for the health insurance and/or late charges and interest
108 penalties are not paid by a public library in a timely manner, as
109 defined by the board, the Mississippi Library Commission, upon
110 notice by the board, shall immediately withhold all subsequent
111 disbursements of funds to that public library.

112 (3) The state shall annually provide one hundred percent
113 (100%) of the cost of the health insurance plan for all public
114 school district employees who work no less than twenty (20) hours
115 during each week and regular nonstudent school bus drivers. Where
116 federal funding is allowable to defray, in full or in part, the
117 cost of participation in the program by district employees who
118 work no less than twenty (20) hours during the week and regular
119 nonstudent bus drivers, whose salaries are paid, in full or in
120 part, by federal funds, the allowance under this section shall be
121 reduced to the extent of such federal funding. Where the use of
122 federal funds is allowable but not available, it is the intent of
123 the Legislature that school districts contribute the cost of
124 participation for such employees from local funds, except that
125 parent fees for child nutrition programs shall not be increased to
126 cover such cost.



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

132 (5) When the use of federal funding is allowable to defray,
133 in full or in part, the cost of participation in the insurance
134 plan by community/junior college district employees who work no
135 less than twenty (20) hours during each week, whose salaries are
136 paid, in full or in part, by federal funds, the allowance under
137 this section shall be reduced to the extent of the federal
138 funding. Where the use of federal funds is allowable but not
139 available, it is the intent of the Legislature that
140 community/junior college districts contribute the cost of
141 participation for such employees from local funds.

142 (6) Any community/junior college district may contribute to
143 the cost of coverage for any district employee from local
144 community/junior college district funds, and any public school
145 district may contribute to the cost of coverage for any district
146 employee from nonminimum program funds. Any part of the cost of
147 such coverage for participating employees of public school
148 districts and public community/junior college districts that is
149 not paid by the state shall be paid by the participating
150 employees, which shall be deducted from the salaries of the
151 employees in a manner determined by the board.

152 (7) Any funds appropriated for the cost of insurance by line
153 item in the community/junior colleges appropriation bill which are
154 not expended during the fiscal year for which such funds were
155 appropriated shall be carried forward for the same purposes during
156 the next succeeding fiscal year.

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



160 permitted under Chapter 15 of Title 25. All funds in excess of
161 the amount needed for disbursement of claims shall be deposited in
162 a special fund in the State Treasury to be known as the State and
163 School Employees Insurance Fund. The State Treasurer shall invest
164 all funds in the State and School Employees Insurance Fund and all
165 interest earned shall be credited to the State and School
166 Employees Insurance Fund. Such funds shall be placed with one or
167 more depositories of the state and invested on the first day such
168 funds are available for investment in certificates of deposit,
169 repurchase agreements or in United States Treasury bills or as
170 otherwise authorized by law for the investment of Public
171 Employees' Retirement System funds, as long as such investment is
172 made from competitive offering and at the highest and best market
173 rate obtainable consistent with any available investment
174 alternatives; however, such investments shall not be made in
175 shares of stock, common or preferred, or in any other investments
176 which would mature more than one (1) year from the date of
177 investment. The board shall have the authority to draw from this
178 fund periodically such funds as are necessary to operate the
179 self-insurance plan or to pay to the insurance carrier the cost of
180 operation of this plan, it being the purpose to limit the amount
181 of participation by the state to fifty percent (50%) of the cost
182 of the life insurance program and not to limit the contracting for
183 additional benefits where the cost will be paid in full by the
184 employee. The state shall not share in the cost of coverage for
185 retired employees.

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

190 (10) Except as otherwise provided by subsection (11) for
191 disabled judges, any retired employee electing to purchase retired
192 life and health insurance will have the full cost of such



193 insurance deducted monthly from his State of Mississippi
194 retirement plan check or direct billed for the cost of the premium
195 if the retirement check is insufficient to pay for the premium.
196 If the board determines actuarially that the premium paid by the
197 participating retirees adversely affects the overall cost of the
198 plan to the state, then the department may impose a premium
199 surcharge, not to exceed fifteen percent (15%), upon such
200 participating retired employees who are under the age for Medicare
201 eligibility.

202 (11) For purposes of insurance coverage under this section,
203 a judge who resigns due to disability shall be considered an
204 active full-time employee for the remainder of the term to which
205 the judge was elected.

206 **[From and after July 1 of the year in which Section 25-11-143**
207 **becomes effective as provided in subsection (1) of Section**
208 **25-11-143, this section shall read as follows:]**

209 25-15-15. (1) The board may determine the manner in which
210 premiums and contributions by the state agencies, local school
211 districts, colleges, universities, community/junior colleges and
212 public libraries will be collected to provide the self-insured
213 health insurance program for employees as provided under this
214 article. The state shall provide fifty percent (50%) of the cost
215 of the above life insurance plan and one hundred percent (100%) of
216 the cost of the above health insurance plan for all active
217 full-time employees. The employees shall be given the opportunity
218 to purchase coverage for their eligible dependents with the
219 premiums for the dependent coverage, as well as the employee's
220 fifty percent (50%) share for his life insurance coverage, to be
221 deductible from the employee's salary by the agency, department or
222 institution head. Those deductions, together with the fifty
223 percent (50%) share of the life insurance premiums of the
224 employing agency, department or institution head from funds
225 appropriated to or authorized to be expended by the employing



226 agency, department or institution head, shall be deposited
227 directly into a depository bank or special fund in the State
228 Treasury, as determined by the board. These funds and interest
229 earned on these funds may be used for the disbursement of claims
230 and shall be exempt from the appropriation process.

231 (2) The state shall provide annually, by line item in the
232 Mississippi Library Commission appropriation bill, the funds to
233 pay one hundred percent (100%) of the cost of health insurance
234 under the State and School Employees Health Insurance Plan for all
235 full-time library staff members in each public library in
236 Mississippi. The commission shall allot to each public library a
237 sufficient amount of those funds appropriated to pay the costs of
238 insurance for eligible employees. Any funds so appropriated by
239 line item that are not expended during the fiscal year for which
240 the funds were appropriated shall be carried forward for the same
241 purposes during the next succeeding fiscal year. If any premiums
242 for the health insurance and/or late charges and interest
243 penalties are not paid by a public library in a timely manner, as
244 defined by the board, the Mississippi Library Commission, upon
245 notice by the board, shall immediately withhold all subsequent
246 disbursements of funds to that public library.

247 (3) The state shall annually provide one hundred percent
248 (100%) of the cost of the health insurance plan for all public
249 school district employees who work no less than twenty (20) hours
250 during each week and regular nonstudent school bus drivers. Where
251 federal funding is allowable to defray, in full or in part, the
252 cost of participation in the program by district employees who
253 work no less than twenty (20) hours during the week and regular
254 nonstudent bus drivers, whose salaries are paid, in full or in
255 part, by federal funds, the allowance under this section shall be
256 reduced to the extent of that federal funding. Where the use of
257 federal funds is allowable but not available, it is the intent of
258 the Legislature that school districts contribute the cost of



259 participation for the employees from local funds, except that
260 parent fees for child nutrition programs shall not be increased to
261 cover that cost.

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

267 (5) When the use of federal funding is allowable to defray,
268 in full or in part, the cost of participation in the insurance
269 plan by community/junior college district employees who work no
270 less than twenty (20) hours during each week, whose salaries are
271 paid, in full or in part, by federal funds, the allowance under
272 this section shall be reduced to the extent of the federal
273 funding. Where the use of federal funds is allowable but not
274 available, it is the intent of the Legislature that
275 community/junior college districts contribute the cost of
276 participation for the employees from local funds.

277 (6) Any community/junior college district may contribute to
278 the cost of coverage for any district employee from local
279 community/junior college district funds, and any public school
280 district may contribute to the cost of coverage for any district
281 employee from nonminimum program funds. Any part of the cost of
282 the coverage for participating employees of public school
283 districts and public community/junior college districts that is
284 not paid by the state shall be paid by the participating
285 employees, which shall be deducted from the salaries of the
286 employees in a manner determined by the board.

287 (7) Any funds appropriated for the cost of insurance by line
288 item in the community/junior colleges appropriation bill that are
289 not expended during the fiscal year for which the funds were
290 appropriated shall be carried forward for the same purposes during
291 the next succeeding fiscal year.



292 (8) The board may establish and enforce late charges and
293 interest penalties or other penalties for the purpose of requiring
294 the prompt payment of all premiums for life and health insurance
295 permitted under Chapter 15 of Title 25. All funds in excess of
296 the amount needed for disbursement of claims shall be deposited in
297 a special fund in the State Treasury to be known as the State and
298 School Employees Insurance Fund. The State Treasurer shall invest
299 all funds in the State and School Employees Insurance Fund and all
300 interest earned shall be credited to the State and School
301 Employees Insurance Fund. Those funds shall be placed with one or
302 more depositories of the state and invested on the first day that
303 the funds are available for investment in certificates of deposit,
304 repurchase agreements or in United States Treasury bills or as
305 otherwise authorized by law for the investment of Public
306 Employees' Retirement System funds, as long as the investment is
307 made from competitive offering and at the highest and best market
308 rate obtainable consistent with any available investment
309 alternatives. However, those investments shall not be made in
310 shares of stock, common or preferred, or in any other investments
311 that would mature more than one (1) year from the date of
312 investment. The board shall have the authority to draw from this
313 fund periodically such funds as are necessary to operate the
314 self-insurance plan or to pay to the insurance carrier the cost of
315 operation of this plan, it being the purpose to limit the amount
316 of participation by the state to fifty percent (50%) of the cost
317 of the life insurance program and not to limit the contracting for
318 additional benefits where the cost will be paid in full by the
319 employee.

320 (9) The board shall also provide for the creation of an
321 Insurance Reserve Fund, and funds in the reserve fund shall be
322 invested by the State Treasurer with all interest earned credited
323 to the State and School Employees Insurance Fund.



324 (10) For purposes of insurance coverage under this section,
325 a judge who resigns due to disability shall be considered an
326 active full-time employee for the remainder of the term to which
327 the judge was elected.

328 **SECTION 3.** This act shall take effect and be in force from
329 and after July 1, 2003.

