

By: Representatives Davis, Fillingane

To: Insurance;  
Appropriations

HOUSE BILL NO. 1370

1 AN ACT TO AMEND SECTION 25-15-15, MISSISSIPPI CODE OF 1972,  
2 TO PROVIDE THAT THE STATE SHALL PAY FIFTY PERCENT OF THE COST OF  
3 THE PREMIUMS FOR HEALTH INSURANCE FOR RETIRED STATE AND SCHOOL  
4 EMPLOYEES; 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) The state shall pay fifty percent (50%) of the cost of  
128 the health insurance premiums for retired employees. Any retired  
129 employee electing to purchase retired life and health insurance or  
130 health insurance for his dependents shall have fifty percent (50%)  
131 of the cost of his health insurance premium and the full cost of  
132 the premium for the dependent coverage and the premium for the  
133 life insurance deducted monthly from his State of Mississippi  
134 retirement plan check or direct billed for the cost of the premium  
135 if the retirement check is insufficient to pay for the premium.  
136 If the board determines actuarially that the premium paid for the  
137 participating retirees adversely affects the overall cost of the  
138 plan to the state, then the department may impose a premium  
139 surcharge, not to exceed fifteen percent (15%), upon such  
140 participating retired employees who are under the age for Medicare  
141 eligibility.

142           **[From and after July 1 of the year in which Section 25-11-143**  
143 **becomes effective as provided in subsection (1) of Section**  
144 **25-11-143, this section shall read as follows:]**

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



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

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

183 (3) The state shall annually provide one hundred percent  
184 (100%) of the cost of the health insurance plan for all public  
185 school district employees who work no less than twenty (20) hours  
186 during each week and regular nonstudent school bus drivers. Where  
187 federal funding is allowable to defray, in full or in part, the  
188 cost of participation in the program by district employees who  
189 work no less than twenty (20) hours during the week and regular  
190 nonstudent bus drivers, whose salaries are paid, in full or in  
191 part, by federal funds, the allowance under this section shall be  
192 reduced to the extent of that federal funding. Where the use of



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

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

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

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

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



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

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

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



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

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

