

By: Representatives Gadd, Holland, Pierce,
Chism, Beckett, Frierson, Green, Guice,
Hudson, McCoy, Middleton, Moak, Montgomery,
Rogers (61st), West, Harrison, Warren

To: Appropriations

HOUSE BILL NO. 521

1 AN ACT TO AMEND SECTIONS 25-15-3, 25-15-15 AND 37-151-95,
2 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE STATE SHALL PAY 100%
3 OF THE COST OF THE HEALTH INSURANCE PREMIUMS FOR ALL RETIRED
4 MEMBERS OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM WHO ARE
5 EMPLOYED BY PUBLIC SCHOOL DISTRICTS AS SCHOOL BUS DRIVERS; TO
6 AMEND SECTION 25-11-127, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT
7 THE AMOUNT PAID BY THE STATE FOR THE COST OF HEALTH INSURANCE
8 PREMIUMS FOR THOSE RETIREES SHALL NOT BE CONSIDERED AS PART OF THE
9 SALARY OR THE EARNED COMPENSATION OF THOSE RETIREES WHO ARE
10 EMPLOYED AFTER RETIREMENT; TO PROVIDE THAT THE PROVISIONS OF THIS
11 ACT SHALL BE RETROACTIVE TO SEPTEMBER 1, 2003; AND FOR RELATED
12 PURPOSES.

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

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

16 **[Through June 30 of the year in which Section 25-11-143**
17 **becomes effective as provided in subsection (1) of Section**
18 **25-11-143, this section shall read as follows:]**

19 25-15-3. For the purposes of this article, the words and
20 phrases used herein shall have the following meanings:

21 (a) "Employee" means any person who works full time for
22 the State of Mississippi and receives his compensation in a direct
23 payment from a department, agency or institution of the state
24 government; any person who works full time for any school
25 district, community/junior college, public library or
26 university-based program authorized under Section 37-23-31 for
27 deaf, aphasic and emotionally disturbed children; any regular
28 nonstudent bus driver; and any retired member of the Public
29 Employees' Retirement System who is employed by a public school
30 district as a school bus driver. This term includes legislators,
31 employees of the legislative branch and the judicial branch of the
32 state, full-time salaried judges and full-time district attorneys

33 and their staff and full-time compulsory school attendance
34 officers. For the purposes of this article, any "employee" making
35 contributions to the Public Employees' Retirement System or the
36 Highway Safety Patrol Retirement System shall be considered a
37 full-time employee.

38 (b) "Department" means the Department of Finance and
39 Administration.

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

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

44 (e) "Retiree" means any employee who is retired under
45 the Public Employees' Retirement System or the Highway Safety
46 Patrol Retirement System and is receiving a retirement allowance
47 from either system.

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

50 **[From and after July 1 of the year in which Section 25-11-143**
51 **becomes effective as provided in subsection (1) of Section**
52 **25-11-143, this section shall read as follows:]**

53 25-15-3. For the purposes of this article, the words and
54 phrases used in this section shall have the following meanings:

55 (a) "Employee" means any person who works full time for
56 the State of Mississippi and receives his compensation in a direct
57 payment from a department, agency or institution of the state
58 government; any person who works full time for any school
59 district, community/junior college, public library,
60 university-based program authorized under Section 37-23-31 for
61 deaf, aphasic and emotionally disturbed children; and any regular
62 nonstudent bus driver. This term includes legislators, employees
63 of the legislative branch and the judicial branch of the state,
64 full-time salaried judges and full-time district attorneys and
65 their staff, and full-time compulsory school attendance officers.

66 For the purposes of this article, any "employee" making
67 contributions to the Public Employees' Retirement System or the
68 Highway Safety Patrol Retirement System shall be considered a
69 full-time employee.

70 (b) "Department" means the Department of Finance and
71 Administration.

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

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

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

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

80 **[Through June 30 of the year in which Section 25-11-143**
81 **becomes effective as provided in subsection (1) of Section**
82 **25-11-143, this section shall read as follows:]**

83 25-15-15. (1) The board is authorized to determine the
84 manner in which premiums and contributions by the state agencies,
85 local school districts, colleges, universities, community/junior
86 colleges and public libraries shall be collected to provide the
87 self-insured health insurance program for employees as provided
88 under this article. The state shall provide fifty percent (50%)
89 of the cost of the above life insurance plan and one hundred
90 percent (100%) of the cost of the above health insurance plan for
91 all active full-time employees and for all retired members of the
92 Public Employees' Retirement System who are employed by public
93 school districts as school bus drivers. The employees shall be
94 given the opportunity to purchase coverage for their eligible
95 dependents with the premiums for such dependent coverage, as well
96 as the employee's fifty percent (50%) share for his life insurance
97 coverage, to be deductible from the employee's salary by the
98 agency, department or institution head. Those deductions,

99 together with the fifty percent (50%) share of such life insurance
100 premiums of such employing agency, department or institution head
101 from funds appropriated to or authorized to be expended by such
102 employing agency, department or institution head, shall be
103 deposited directly into a depository bank or special fund in the
104 State Treasury, as determined by the board. These funds and
105 interest earned on these funds may be used for the disbursement of
106 claims and shall be exempt from the appropriation process.

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

123 (3) The state shall annually provide one hundred percent
124 (100%) of the cost of the health insurance plan for all public
125 school district employees who work no less than twenty (20) hours
126 during each week, regular nonstudent school bus drivers, and
127 retired members of the Public Employees' Retirement System who are
128 employed by public school districts as school bus drivers. Where
129 federal funding is allowable to defray, in full or in part, the
130 cost of participation in the program by district employees who
131 work no less than twenty (20) hours during the week, regular

132 nonstudent bus drivers, and retired members of the Public
133 Employees' Retirement System who are employed by public school
134 districts as school bus drivers, whose salaries are paid, in full
135 or in part, by federal funds, the allowance under this section
136 shall be reduced to the extent of such federal funding. Where the
137 use of federal funds is allowable but not available, it is the
138 intent of the Legislature that school districts contribute the
139 cost of participation for such employees from local funds, except
140 that parent fees for child nutrition programs shall not be
141 increased to cover such cost.

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

147 (5) When the use of federal funding is allowable to defray,
148 in full or in part, the cost of participation in the insurance
149 plan by community/junior college district employees who work no
150 less than twenty (20) hours during each week, whose salaries are
151 paid, in full or in part, by federal funds, the allowance under
152 this section shall be reduced to the extent of the federal
153 funding. Where the use of federal funds is allowable but not
154 available, it is the intent of the Legislature that
155 community/junior college districts contribute the cost of
156 participation for such employees from local funds.

157 (6) Any community/junior college district may contribute to
158 the cost of coverage for any district employee from local
159 community/junior college district funds, and any public school
160 district may contribute to the cost of coverage for any district
161 employee from nonminimum program funds. Any part of the cost of
162 such coverage for participating employees of public school
163 districts and public community/junior college districts that is
164 not paid by the state shall be paid by the participating

165 employees, which shall be deducted from the salaries of the
166 employees in a manner determined by the board.

167 (7) Any funds appropriated for the cost of insurance by line
168 item in the community/junior colleges appropriation bill which are
169 not expended during the fiscal year for which such funds were
170 appropriated shall be carried forward for the same purposes during
171 the next succeeding fiscal year.

172 (8) The board may establish and enforce late charges and
173 interest penalties or other penalties for the purpose of requiring
174 the prompt payment of all premiums for life and health insurance
175 permitted under Chapter 15 of Title 25. All funds in excess of
176 the amount needed for disbursement of claims shall be deposited in
177 a special fund in the State Treasury to be known as the State and
178 School Employees Insurance Fund. The State Treasurer shall invest
179 all funds in the State and School Employees Insurance Fund and all
180 interest earned shall be credited to the State and School
181 Employees Insurance Fund. Such funds shall be placed with one or
182 more depositories of the state and invested on the first day such
183 funds are available for investment in certificates of deposit,
184 repurchase agreements or in United States Treasury bills or as
185 otherwise authorized by law for the investment of Public
186 Employees' Retirement System funds, as long as such investment is
187 made from competitive offering and at the highest and best market
188 rate obtainable consistent with any available investment
189 alternatives; however, such investments shall not be made in
190 shares of stock, common or preferred, or in any other investments
191 which would mature more than one (1) year from the date of
192 investment. The board shall have the authority to draw from this
193 fund periodically such funds as are necessary to operate the
194 self-insurance plan or to pay to the insurance carrier the cost of
195 operation of this plan, it being the purpose to limit the amount
196 of participation by the state to fifty percent (50%) of the cost
197 of the life insurance program and not to limit the contracting for

198 additional benefits where the cost will be paid in full by the
199 employee. The state shall not share in the cost of coverage for
200 retired employees, except for retired members of the Public
201 Employees' Retirement System who are employed by public school
202 districts as school bus drivers.

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

207 (10) Any retired employee electing to purchase retired life
208 and health insurance will have the full cost of such insurance
209 deducted monthly from his State of Mississippi retirement plan
210 check or direct billed for the cost of the premium if the
211 retirement check is insufficient to pay for the premium. If the
212 board determines actuarially that the premium paid by the
213 participating retirees adversely affects the overall cost of the
214 plan to the state, then the department may impose a premium
215 surcharge, not to exceed fifteen percent (15%), upon such
216 participating retired employees who are under the age for Medicare
217 eligibility.

218 **[From and after July 1 of the year in which Section 25-11-143**
219 **becomes effective as provided in subsection (1) of Section**
220 **25-11-143, this section shall read as follows:]**

221 25-15-15. (1) The board may determine the manner in which
222 premiums and contributions by the state agencies, local school
223 districts, colleges, universities, community/junior colleges and
224 public libraries will be collected to provide the self-insured
225 health insurance program for employees as provided under this
226 article. The state shall provide fifty percent (50%) of the cost
227 of the above life insurance plan and one hundred percent (100%) of
228 the cost of the above health insurance plan for all active
229 full-time employees. The employees shall be given the opportunity
230 to purchase coverage for their eligible dependents with the

231 premiums for the dependent coverage, as well as the employee's
232 fifty percent (50%) share for his life insurance coverage, to be
233 deductible from the employee's salary by the agency, department or
234 institution head. Those deductions, together with the fifty
235 percent (50%) share of the life insurance premiums of the
236 employing agency, department or institution head from funds
237 appropriated to or authorized to be expended by the employing
238 agency, department or institution head, shall be deposited
239 directly into a depository bank or special fund in the State
240 Treasury, as determined by the board. These funds and interest
241 earned on these funds may be used for the disbursement of claims
242 and shall be exempt from the appropriation process.

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

259 (3) The state shall annually provide one hundred percent
260 (100%) of the cost of the health insurance plan for all public
261 school district employees who work no less than twenty (20) hours
262 during each week and regular nonstudent school bus drivers. Where
263 federal funding is allowable to defray, in full or in part, the

264 cost of participation in the program by district employees who
265 work no less than twenty (20) hours during the week and regular
266 nonstudent bus drivers, whose salaries are paid, in full or in
267 part, by federal funds, the allowance under this section shall be
268 reduced to the extent of that federal funding. Where the use of
269 federal funds is allowable but not available, it is the intent of
270 the Legislature that school districts contribute the cost of
271 participation for the employees from local funds, except that
272 parent fees for child nutrition programs shall not be increased to
273 cover that cost.

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

279 (5) When the use of federal funding is allowable to defray,
280 in full or in part, the cost of participation in the insurance
281 plan by community/junior college district employees who work no
282 less than twenty (20) hours during each week, whose salaries are
283 paid, in full or in part, by federal funds, the allowance under
284 this section shall be reduced to the extent of the federal
285 funding. Where the use of federal funds is allowable but not
286 available, it is the intent of the Legislature that
287 community/junior college districts contribute the cost of
288 participation for the employees from local funds.

289 (6) Any community/junior college district may contribute to
290 the cost of coverage for any district employee from local
291 community/junior college district funds, and any public school
292 district may contribute to the cost of coverage for any district
293 employee from nonminimum program funds. Any part of the cost of
294 the coverage for participating employees of public school
295 districts and public community/junior college districts that is
296 not paid by the state shall be paid by the participating

297 employees, which shall be deducted from the salaries of the
298 employees in a manner determined by the board.

299 (7) Any funds appropriated for the cost of insurance by line
300 item in the community/junior colleges appropriation bill that are
301 not expended during the fiscal year for which the funds were
302 appropriated shall be carried forward for the same purposes during
303 the next succeeding fiscal year.

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

330 additional benefits where the cost will be paid in full by the
331 employee.

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

336 **SECTION 3.** Section 37-151-95, Mississippi Code of 1972, is
337 amended as follows:

338 37-151-95. Adequate education program funds shall include
339 one hundred percent (100%) of the cost of the State and School
340 Employees' Life and Health Insurance Plan created under Article 7,
341 Chapter 15, Title 25, Mississippi Code of 1972, for all district
342 employees who work no less than twenty (20) hours during each
343 week, regular nonstudent school bus drivers employed by the
344 district, and retired members of the Public Employees' Retirement
345 System who are employed by the district as school bus drivers.

346 Where the use of federal funding is allowable to defray, in
347 full or in part, the cost of participation in the insurance plan
348 by district employees who work no less than twenty (20) hours
349 during each week, regular nonstudent school bus drivers, and
350 retired members of the Public Employees' Retirement System who are
351 employed by the district as school bus drivers, whose salaries are
352 paid, in full or in part, by federal funds, the allowance under
353 this section shall be reduced to the extent of the federal
354 funding. Where the use of federal funds is allowable but not
355 available, it is the intent of the Legislature that school
356 districts contribute the cost of participation for such employees
357 from local funds, except that parent fees for child nutrition
358 programs shall not be increased to cover such cost.

359 The State Department of Education, in accordance with rules
360 and regulations established by the State Board of Education, may
361 withhold a school district's adequate education program funds for
362 failure of the district to timely report student, fiscal and

363 personnel data necessary to meet state and/or federal
364 requirements. The rules and regulations promulgated by the State
365 Board of Education shall require the withholding of adequate
366 education program funds for those districts that fail to remit
367 premiums, interest penalties and/or late charges under the State
368 and School Employees' Life and Health Insurance Plan.
369 Noncompliance with such rules and regulations shall result in a
370 violation of compulsory accreditation standards as established by
371 the State Board of Education and Commission on School
372 Accreditation.

373 **SECTION 4.** Section 25-11-127, Mississippi Code of 1972, is
374 amended as follows:

375 25-11-127. (1) (a) No person who is being paid a
376 retirement allowance or a pension after retirement under this
377 article shall be employed or paid for any service by the State of
378 Mississippi, except as provided in this section.

379 (b) No retiree of this retirement system who is
380 reemployed or is reelected to office after retirement shall
381 continue to draw retirement benefits while so reemployed, except
382 as provided in this section.

383 (c) No person employed or elected under the exceptions
384 provided for in this section shall become a member under Article 3
385 of the retirement system.

386 (2) Any person who has been retired under the provisions of
387 Article 3 and who is later reemployed in service covered by this
388 article shall cease to receive benefits under this article and
389 shall again become a contributing member of the retirement system.
390 When the person retires again, if the reemployment exceeds six (6)
391 months, the person shall have his or her benefit recomputed,
392 including service after again becoming a member, provided that the
393 total retirement allowance paid to the retired member in his or
394 her previous retirement shall be deducted from the member's

395 retirement reserve and taken into consideration in recalculating
396 the retirement allowance under a new option selected.

397 (3) The board shall have the right to prescribe rules and
398 regulations for carrying out the provisions of this section.

399 (4) The provisions of this section shall not be construed to
400 prohibit any retiree, regardless of age, from being employed and
401 drawing a retirement allowance either:

402 (a) For a period of time not to exceed one-half (1/2)
403 of the normal working days for the position in any fiscal year
404 during which the retiree will receive no more than one-half (1/2)
405 of the salary in effect for the position at the time of
406 employment, or

407 (b) For a period of time in any fiscal year sufficient
408 in length to permit a retiree to earn not in excess of twenty-five
409 percent (25%) of retiree's average compensation.

410 To determine the normal working days for a position under
411 paragraph (a) of this subsection, the employer shall determine the
412 required number of working days for the position on a full-time
413 basis and the equivalent number of hours representing the
414 full-time position. The retiree then may work up to one-half
415 (1/2) of the required number of working days or up to one-half
416 (1/2) of the equivalent number of hours and receive up to one-half
417 (1/2) of the salary for the position. In the case of employment
418 with multiple employers, the limitation shall equal one-half (1/2)
419 of the number of days or hours for a single full-time position.

420 Notice shall be given in writing to the executive director,
421 setting forth the facts upon which the employment is being made,
422 and the notice shall be given within five (5) days from the date
423 of employment and also from the date of termination of the
424 employment.

425 For the purposes of this subsection (4), the amount paid by
426 the state for the cost of the health insurance premiums for
427 retirees who are employed by public school districts as school bus

428 drivers, as provided in Section 25-15-15, shall not be considered
429 as part of the salary or the earned compensation of those
430 retirees.

431 (5) Any member may continue in municipal or county elected
432 office or be elected to a municipal or county office, provided
433 that the person:

434 (a) Files annually, in writing, in the office of the
435 employer and the office of the executive director of the system
436 before the person takes office or as soon as possible after
437 retirement, a waiver of all salary or compensation and elects to
438 receive in lieu of that salary or compensation a retirement
439 allowance as provided in this section, in which event no salary or
440 compensation shall thereafter be due or payable for those
441 services; however, any such officer or employee may receive, in
442 addition to the retirement allowance, office expense allowance,
443 mileage or travel expense authorized by any statute of the State
444 of Mississippi; or

445 (b) Elects to receive compensation for that elective
446 office in an amount not to exceed twenty-five percent (25%) of the
447 retiree's average compensation. As used in this paragraph, the
448 term "compensation" shall not include office expense allowance,
449 mileage or travel expense authorized by a statute of the State of
450 Mississippi. In order to receive compensation as allowed in this
451 paragraph, the member shall file annually, in writing, in the
452 office of the employer and the office of the executive director of
453 the system, an election to receive, in addition to a retirement
454 allowance, compensation as allowed in this paragraph.

455 **SECTION 5.** The provisions of Section 25-15-15 as amended by
456 this act that require the State of Mississippi to pay one hundred
457 percent (100%) of the cost of the health insurance premiums for
458 all retired members of the Public Employees' Retirement System who
459 are employed by public school districts as school bus drivers
460 shall be retroactive to September 1, 2003. Any retired member of

461 the Public Employees' Retirement System who was employed by a
462 public school district as a school bus driver during the period
463 from September 1, 2003, through the effective date of this act
464 shall be refunded the amount of the health insurance premiums that
465 the retiree paid during that time.

466 **SECTION 6.** This act shall take effect and be in force from
467 and after its passage.