

By: Representatives Guice, Holland

To: Appropriations

HOUSE BILL NO. 290

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, EARNED COMPENSATION OR AVERAGE COMPENSATION OF THOSE
 10 RETIREES WHO ARE EMPLOYED AFTER RETIREMENT; TO AUTHORIZE PUBLIC
 11 SCHOOL DISTRICTS THAT EMPLOYED THOSE RETIREES AS SCHOOL BUS
 12 DRIVERS DURING THE PERIOD FROM SEPTEMBER 1, 2003, THROUGH THE
 13 EFFECTIVE DATE OF THIS ACT TO REIMBURSE THE RETIREES FOR THE
 14 AMOUNT OF THE HEALTH INSURANCE PREMIUMS THAT THEY PAID DURING THAT
 15 TIME, USING ADEQUATE EDUCATION PROGRAM FUNDS AVAILABLE TO THE
 16 DISTRICT; AND FOR RELATED PURPOSES.

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

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

20 **[Through June 30 of the year in which Section 25-11-143**
 21 **becomes effective as provided in subsection (1) of Section**
 22 **25-11-143, this section shall read as follows:]**

23 25-15-3. For the purposes of this article, the words and
 24 phrases used in this section shall have the following meanings:

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

35 employees of the legislative branch and the judicial branch of the
36 state, full-time salaried judges and full-time district attorneys
37 and their staff and full-time compulsory school attendance
38 officers. For the purposes of this article, any "employee" making
39 contributions to the Public Employees' Retirement System or the
40 Highway Safety Patrol Retirement System shall be considered a
41 full-time employee.

42 (b) "Department" means the Department of Finance and
43 Administration.

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

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

48 (e) "Retiree" means any employee who is retired under
49 the Public Employees' Retirement System or the Highway Safety
50 Patrol Retirement System and is receiving a retirement allowance
51 from either system.

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

54 **[From and after July 1 of the year in which Section 25-11-143**
55 **becomes effective as provided in subsection (1) of Section**
56 **25-11-143, this section shall read as follows:]**

57 25-15-3. For the purposes of this article, the words and
58 phrases used in this section shall have the following meanings:

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

68 full-time salaried judges and full-time district attorneys and
69 their staff, and full-time compulsory school attendance officers.
70 For the purposes of this article, any "employee" making
71 contributions to the Public Employees' Retirement System or the
72 Highway Safety Patrol Retirement System shall be considered a
73 full-time employee.

74 (b) "Department" means the Department of Finance and
75 Administration.

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

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

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

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

84 **[Through June 30 of the year in which Section 25-11-143**
85 **becomes effective as provided in subsection (1) of Section**
86 **25-11-143, this section shall read as follows:]**

87 25-15-15. (1) The board may determine the manner in which
88 premiums and contributions by the state agencies, local school
89 districts, colleges, universities, community/junior colleges and
90 public libraries will be collected to provide the self-insured
91 health insurance program for employees as provided under this
92 article. The state shall provide fifty percent (50%) of the cost
93 of the above life insurance plan for all active full-time
94 employees except for retired members of the Public Employees'
95 Retirement System who are employed by public school districts as
96 school bus drivers, and shall provide one hundred percent (100%)
97 of the cost of the above health insurance plan for all active
98 full-time employees and all retired members of the Public
99 Employees' Retirement System who are employed by public school
100 districts as school bus drivers. The employees shall be given the

101 opportunity to purchase coverage for their eligible dependents
102 with the premiums for the dependent coverage, as well as the
103 employee's fifty percent (50%) share for his or her life insurance
104 coverage, to be deductible from the employee's salary by the
105 agency, department or institution head. Those deductions,
106 together with the fifty percent (50%) share of the life insurance
107 premiums of the employing agency, department or institution head
108 from funds appropriated to or authorized to be expended by the
109 employing agency, department or institution head, shall be
110 deposited directly into a depository bank or special fund in the
111 State Treasury, as determined by the board. These funds and
112 interest earned on these funds may be used for the disbursement of
113 claims and shall be exempt from the appropriation process.

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

130 (3) The state shall annually provide one hundred percent
131 (100%) of the cost of the health insurance plan for all public
132 school district employees who work no less than twenty (20) hours
133 during each week, regular nonstudent school bus drivers, and

134 retired members of the Public Employees' Retirement System who are
135 employed by public school districts as school bus drivers. Where
136 federal funding is allowable to defray, in full or in part, the
137 cost of participation in the program by district employees who
138 work no less than twenty (20) hours during the week, regular
139 nonstudent bus drivers, and retired members of the Public
140 Employees' Retirement System who are employed by public school
141 districts as school bus drivers, whose salaries are paid, in full
142 or in part, by federal funds, the allowance under this section
143 shall be reduced to the extent of the federal funding. Where the
144 use of federal funds is allowable but not available, it is the
145 intent of the Legislature that school districts contribute the
146 cost of participation for the employees from local funds, except
147 that parent fees for child nutrition programs shall not be
148 increased to cover that cost.

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

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

164 (6) Any community/junior college district may contribute to
165 the cost of coverage for any district employee from local
166 community/junior college district funds, and any public school

167 district may contribute to the cost of coverage for any district
168 employee from funds other than adequate education program funds.
169 Any part of the cost of the coverage for participating employees
170 of public school districts and public community/junior college
171 districts that is not paid by the state shall be paid by the
172 participating employees, which shall be deducted from the salaries
173 of the employees in a manner determined by the board.

174 (7) Any funds appropriated for the cost of insurance by line
175 item in the community/junior colleges appropriation bill that are
176 not expended during the fiscal year for which the funds were
177 appropriated shall be carried forward for the same purposes during
178 the next succeeding fiscal year.

179 (8) The board may establish and enforce late charges and
180 interest penalties or other penalties for the purpose of requiring
181 the prompt payment of all premiums for life and health insurance
182 permitted under Chapter 15 of Title 25. All funds in excess of
183 the amount needed for disbursement of claims shall be deposited in
184 a special fund in the State Treasury to be known as the State and
185 School Employees Insurance Fund. The State Treasurer shall invest
186 all funds in the State and School Employees Insurance Fund and all
187 interest earned shall be credited to the State and School
188 Employees Insurance Fund. Those funds shall be placed with one or
189 more depositories of the state and invested on the first day that
190 the funds are available for investment in certificates of deposit,
191 repurchase agreements or in United States Treasury bills or as
192 otherwise authorized by law for the investment of Public
193 Employees' Retirement System funds, as long as the investment is
194 made from competitive offering and at the highest and best market
195 rate obtainable consistent with any available investment
196 alternatives. However, those investments shall not be made in
197 shares of stock, common or preferred, or in any other investments
198 that would mature more than one (1) year from the date of
199 investment. The board shall have the authority to draw from this

200 fund periodically such funds as are necessary to operate the
201 self-insurance plan or to pay to the insurance carrier the cost of
202 operation of this plan, it being the purpose to limit the amount
203 of participation by the state to fifty percent (50%) of the cost
204 of the life insurance program and not to limit the contracting for
205 additional benefits where the cost will be paid in full by the
206 employee. The state shall not share in the cost of coverage for
207 retired employees, except for retired members of the Public
208 Employees' Retirement System who are employed by public school
209 districts as school bus drivers.

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

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

225 **[From and after July 1 of the year in which Section 25-11-143**
226 **becomes effective as provided in subsection (1) of Section**
227 **25-11-143, this section shall read as follows:]**

228 25-15-15. (1) The board may determine the manner in which
229 premiums and contributions by the state agencies, local school
230 districts, colleges, universities, community/junior colleges and
231 public libraries will be collected to provide the self-insured
232 health insurance program for employees as provided under this

233 article. The state shall provide fifty percent (50%) of the cost
234 of the above life insurance plan and one hundred percent (100%) of
235 the cost of the above health insurance plan for all active
236 full-time employees. The employees shall be given the opportunity
237 to purchase coverage for their eligible dependents with the
238 premiums for the dependent coverage, as well as the employee's
239 fifty percent (50%) share for his or her life insurance coverage,
240 to be deductible from the employee's salary by the agency,
241 department or institution head. Those deductions, together with
242 the fifty percent (50%) share of the life insurance premiums of
243 the employing agency, department or institution head from funds
244 appropriated to or authorized to be expended by the employing
245 agency, department or institution head, shall be deposited
246 directly into a depository bank or special fund in the State
247 Treasury, as determined by the board. These funds and interest
248 earned on these funds may be used for the disbursement of claims
249 and shall be exempt from the appropriation process.

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

266 (3) The state shall annually provide one hundred percent
267 (100%) of the cost of the health insurance plan for all public
268 school district employees who work no less than twenty (20) hours
269 during each week and regular nonstudent school bus drivers. Where
270 federal funding is allowable to defray, in full or in part, the
271 cost of participation in the program by district employees who
272 work no less than twenty (20) hours during the week and regular
273 nonstudent bus drivers, whose salaries are paid, in full or in
274 part, by federal funds, the allowance under this section shall be
275 reduced to the extent of the federal funding. Where the use of
276 federal funds is allowable but not available, it is the intent of
277 the Legislature that school districts contribute the cost of
278 participation for the employees from local funds, except that
279 parent fees for child nutrition programs shall not be increased to
280 cover that cost.

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

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

296 (6) Any community/junior college district may contribute to
297 the cost of coverage for any district employee from local
298 community/junior college district funds, and any public school

299 district may contribute to the cost of coverage for any district
300 employee from funds other than adequate education program funds.
301 Any part of the cost of the coverage for participating employees
302 of public school districts and public community/junior college
303 districts that is not paid by the state shall be paid by the
304 participating employees, which shall be deducted from the salaries
305 of the employees in a manner determined by the board.

306 (7) Any funds appropriated for the cost of insurance by line
307 item in the community/junior colleges appropriation bill that are
308 not expended during the fiscal year for which the funds were
309 appropriated shall be carried forward for the same purposes during
310 the next succeeding fiscal year.

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

332 fund periodically such funds as are necessary to operate the
333 self-insurance plan or to pay to the insurance carrier the cost of
334 operation of this plan, it being the purpose to limit the amount
335 of participation by the state to fifty percent (50%) of the cost
336 of the life insurance program and not to limit the contracting for
337 additional benefits where the cost will be paid in full by the
338 employee.

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

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

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

353 Where the use of federal funding is allowable to defray, in
354 full or in part, the cost of participation in the insurance plan
355 by district employees who work no less than twenty (20) hours
356 during each week, regular nonstudent school bus drivers, and
357 retired members of the Public Employees' Retirement System who are
358 employed by the district as school bus drivers, whose salaries are
359 paid, in full or in part, by federal funds, the allowance under
360 this section shall be reduced to the extent of the federal
361 funding. Where the use of federal funds is allowable but not
362 available, it is the intent of the Legislature that school
363 districts contribute the cost of participation for the employees

364 from local funds, except that parent fees for child nutrition
365 programs shall not be increased to cover that cost.

366 The State Department of Education, in accordance with rules
367 and regulations established by the State Board of Education, may
368 withhold a school district's adequate education program funds for
369 failure of the district to timely report student, fiscal and
370 personnel data necessary to meet state and/or federal
371 requirements. The rules and regulations promulgated by the State
372 Board of Education shall require the withholding of adequate
373 education program funds for those districts that fail to remit
374 premiums, interest penalties and/or late charges under the State
375 and School Employees' Life and Health Insurance Plan.
376 Noncompliance with those rules and regulations shall result in a
377 violation of compulsory accreditation standards as established by
378 the State Board of Education and Commission on School
379 Accreditation.

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

382 25-11-127. (1) (a) No person who is being paid a
383 retirement allowance or a pension after retirement under this
384 article shall be employed or paid for any service by the State of
385 Mississippi, except as provided in this section.

386 (b) No retiree of this retirement system who is
387 reemployed or is reelected to office after retirement shall
388 continue to draw retirement benefits while so reemployed, except
389 as provided in this section.

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

393 (2) Any person who has been retired under the provisions of
394 Article 3 and who is later reemployed in service covered by this
395 article shall cease to receive benefits under this article and
396 shall again become a contributing member of the retirement system.

397 When the person retires again, if the reemployment exceeds six (6)
398 months, the person shall have his or her benefit recomputed,
399 including service after again becoming a member, provided that the
400 total retirement allowance paid to the retired member in his or
401 her previous retirement shall be deducted from the member's
402 retirement reserve and taken into consideration in recalculating
403 the retirement allowance under a new option selected.

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

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

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

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

417 To determine the normal working days for a position under
418 paragraph (a) of this subsection, the employer shall determine the
419 required number of working days for the position on a full-time
420 basis and the equivalent number of hours representing the
421 full-time position. The retiree then may work up to one-half
422 (1/2) of the required number of working days or up to one-half
423 (1/2) of the equivalent number of hours and receive up to one-half
424 (1/2) of the salary for the position. In the case of employment
425 with multiple employers, the limitation shall equal one-half (1/2)
426 of the number of days or hours for a single full-time position.

427 Notice shall be given in writing to the executive director,
428 setting forth the facts upon which the employment is being made,
429 and the notice shall be given within five (5) days from the date

430 of employment and also from the date of termination of the
431 employment.

432 For the purposes of this subsection (4), the nontaxable
433 amounts paid by the state for the cost of the health insurance
434 premiums for retirees who are employed by public school districts
435 as school bus drivers, as provided in Section 25-15-15, shall not
436 be considered as part of the salary, earned compensation or
437 average compensation of those retirees.

438 (5) Any member may continue in municipal or county elected
439 office or be elected to a municipal or county office, provided
440 that the person:

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

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

462 **SECTION 5.** Any public school district that employed one or
463 more retired members of the Public Employees' Retirement System as
464 school bus drivers for the district during the period from
465 September 1, 2003, through the effective date of this act may
466 reimburse those employees for all or part of the amount of the
467 health insurance premiums that the employees paid to the State and
468 School Employees Life and Health Insurance Plan during that time.
469 Those school districts may use any Mississippi Adequate Education
470 Program funds available to the district to make the reimbursement
471 authorized under this section.

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