

By: Representative Formby

To: Insurance; Education

HOUSE BILL NO. 1125

1 AN ACT TO AMEND SECTION 25-15-15, MISSISSIPPI CODE OF 1972,
2 TO DELETE THE MAXIMUM AMOUNT OF PREMIUM SURCHARGE WHICH MAY BE
3 IMPOSED UPON CERTAIN PARTICIPATING RETIREES IF THE OVERALL COST OF
4 THE PLAN TO THE STATE IS ADVERSELY AFFECTED; AND FOR RELATED
5 PURPOSES.

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

7 **SECTION 1.** Section 25-15-15, 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 25-15-15. (1) The board is authorized to determine the
13 manner in which premiums and contributions by the state agencies,
14 local school districts, colleges, universities, community/junior
15 colleges and public libraries shall be collected to provide the
16 self-insured health insurance program for employees as provided
17 under this article. The state shall provide fifty percent (50%)
18 of the cost of the above life insurance plan and one hundred
19 percent (100%) of the cost of the above health insurance plan for
20 all active full-time employees, and the employees shall be given
21 the opportunity to purchase coverage for their eligible dependents
22 with the premiums for such dependent coverage as well as the
23 employee's fifty percent (50%) share for his life insurance
24 coverage to be deductible from the employee's salary by the
25 agency, department or institution head, which deductions, together
26 with the fifty percent (50%) share of such life insurance premiums
27 of such employing agency, department or institution head from
28 funds appropriated to or authorized to be expended by such

29 employing agency, department or institution head, shall be
30 deposited directly into a depository bank or special fund in the
31 State Treasury, as determined by the board. These funds and
32 interest earned on these funds may be used for the disbursement of
33 claims and shall be exempt from the appropriation process.

34 (2) The state shall provide annually, by line item in the
35 Mississippi Library Commission appropriation bill, such funds to
36 pay one hundred percent (100%) of the cost of health insurance
37 under the State and School Employees Health Insurance Plan for all
38 full-time library staff members in each public library in
39 Mississippi. The commission shall allot to each public library a
40 sufficient amount of those funds appropriated to pay the costs of
41 insurance for eligible employees. Any funds so appropriated by
42 line item which are not expended during the fiscal year for which
43 such funds were appropriated shall be carried forward for the same
44 purposes during the next succeeding fiscal year. If any premiums
45 for the health insurance and/or late charges and interest
46 penalties are not paid by a public library in a timely manner, as
47 defined by the board, the Mississippi Library Commission, upon
48 notice by the board, shall immediately withhold all subsequent
49 disbursements of funds to that public library.

50 (3) The state shall annually provide one hundred percent
51 (100%) of the cost of the health insurance plan for all public
52 school district employees who work no less than twenty (20) hours
53 during each week and regular nonstudent school bus drivers. Where
54 federal funding is allowable to defray, in full or in part, the
55 cost of participation in the program by district employees who
56 work no less than twenty (20) hours during the week and regular
57 nonstudent bus drivers, whose salaries are paid, in full or in
58 part, by federal funds, the allowance under this section shall be
59 reduced to the extent of such federal funding. Where the use of
60 federal funds is allowable but not available, it is the intent of
61 the Legislature that school districts contribute the cost of

62 participation for such employees from local funds, except that
63 parent fees for child nutrition programs shall not be increased to
64 cover such cost.

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

70 (5) When the use of federal funding is allowable to defray,
71 in full or in part, the cost of participation in the insurance
72 plan by community/junior college district employees who work no
73 less than twenty (20) hours during each week, whose salaries are
74 paid, in full or in part, by federal funds, the allowance under
75 this section shall be reduced to the extent of the federal
76 funding. Where the use of federal funds is allowable but not
77 available, it is the intent of the Legislature that
78 community/junior college districts contribute the cost of
79 participation for such employees from local funds.

80 (6) Any community/junior college district may contribute to
81 the cost of coverage for any district employee from local
82 community/junior college district funds, and any public school
83 district may contribute to the cost of coverage for any district
84 employee from nonminimum program funds. Any part of the cost of
85 such coverage for participating employees of public school
86 districts and public community/junior college districts that is
87 not paid by the state shall be paid by the participating
88 employees, which shall be deducted from the salaries of the
89 employees in a manner determined by the board.

90 (7) Any funds appropriated for the cost of insurance by line
91 item in the community/junior colleges appropriation bill which are
92 not expended during the fiscal year for which such funds were
93 appropriated shall be carried forward for the same purposes during
94 the next succeeding fiscal year.

95 (8) The board may establish and enforce late charges and
96 interest penalties or other penalties for the purpose of requiring
97 the prompt payment of all premiums for life and health insurance
98 permitted under Chapter 15 of Title 25. All funds in excess of
99 the amount needed for disbursement of claims shall be deposited in
100 a special fund in the State Treasury to be known as the State and
101 School Employees Insurance Fund. The State Treasurer shall invest
102 all funds in the State and School Employees Insurance Fund and all
103 interest earned shall be credited to the State and School
104 Employees Insurance Fund. Such funds shall be placed with one or
105 more depositories of the state and invested on the first day such
106 funds are available for investment in certificates of deposit,
107 repurchase agreements or in United States Treasury bills or as
108 otherwise authorized by law for the investment of Public
109 Employees' Retirement System funds, as long as such investment is
110 made from competitive offering and at the highest and best market
111 rate obtainable consistent with any available investment
112 alternatives; however, such investments shall not be made in
113 shares of stock, common or preferred, or in any other investments
114 which would mature more than one (1) year from the date of
115 investment. The board shall have the authority to draw from this
116 fund periodically such funds as are necessary to operate the
117 self-insurance plan or to pay to the insurance carrier the cost of
118 operation of this plan, it being the purpose to limit the amount
119 of participation by the state to fifty percent (50%) of the cost
120 of the life insurance program and not to limit the contracting for
121 additional benefits where the cost will be paid in full by the
122 employee. The state shall not share in the cost of coverage for
123 retired employees.

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

128 (10) Any retired employee electing to purchase retired life
129 and health insurance will have the full cost of such insurance
130 deducted monthly from his State of Mississippi retirement plan
131 check or direct billed for the cost of the premium if the
132 retirement check is insufficient to pay for the premium. If the
133 board determines actuarially that the premium paid by the
134 participating retirees adversely affects the overall cost of the
135 plan to the state, then the board may impose a premium
136 surcharge * * * upon such participating retired employees who are
137 under the age for Medicare eligibility.

138 **[From and after July 1 of the year in which Section 25-11-143**
139 **becomes effective as provided in subsection (1) of Section**
140 **25-11-143, this section shall read as follows:]**

141 25-15-15. (1) The board may determine the manner in which
142 premiums and contributions by the state agencies, local school
143 districts, colleges, universities, community/junior colleges and
144 public libraries will be collected to provide the self-insured
145 health insurance program for employees as provided under this
146 article. The state shall provide fifty percent (50%) of the cost
147 of the above life insurance plan and one hundred percent (100%) of
148 the cost of the above health insurance plan for all active
149 full-time employees. The employees shall be given the opportunity
150 to purchase coverage for their eligible dependents with the
151 premiums for the dependent coverage, as well as the employee's
152 fifty percent (50%) share for his life insurance coverage, to be
153 deductible from the employee's salary by the agency, department or
154 institution head. Those deductions, together with the fifty
155 percent (50%) share of the life insurance premiums of the
156 employing agency, department or institution head from funds
157 appropriated to or authorized to be expended by the employing
158 agency, department or institution head, shall be deposited
159 directly into a depository bank or special fund in the State
160 Treasury, as determined by the board. These funds and interest

161 earned on these funds may be used for the disbursement of claims
162 and shall be exempt from the appropriation process.

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

179 (3) The state shall annually provide one hundred percent
180 (100%) of the cost of the health insurance plan for all public
181 school district employees who work no less than twenty (20) hours
182 during each week and regular nonstudent school bus drivers. Where
183 federal funding is allowable to defray, in full or in part, the
184 cost of participation in the program by district employees who
185 work no less than twenty (20) hours during the week and regular
186 nonstudent bus drivers, whose salaries are paid, in full or in
187 part, by federal funds, the allowance under this section shall be
188 reduced to the extent of that federal funding. Where the use of
189 federal funds is allowable but not available, it is the intent of
190 the Legislature that school districts contribute the cost of
191 participation for the employees from local funds, except that
192 parent fees for child nutrition programs shall not be increased to
193 cover that cost.

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

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

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

219 (7) Any funds appropriated for the cost of insurance by line
220 item in the community/junior colleges appropriation bill that are
221 not expended during the fiscal year for which the funds were
222 appropriated shall be carried forward for the same purposes during
223 the next succeeding fiscal year.

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

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

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

256 **SECTION 2.** This act shall take effect and be in force from
257 and after its passage.