

By: Representatives Gadd, Guice, Beckett,  
Montgomery, Markham

To: Appropriations

HOUSE BILL NO. 1200  
(As Passed the House)

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; AND FOR RELATED PURPOSES.

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

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

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

17 25-15-3. For the purposes of this article, the words and  
18 phrases used herein shall have the following meanings:

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

32 officers. For the purposes of this article, any "employee" making  
33 contributions to the Public Employees' Retirement System or the  
34 Highway Safety Patrol Retirement System shall be considered a  
35 full-time employee.

36 (b) "Department" means the Department of Finance and  
37 Administration.

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

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

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

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

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

51 25-15-3. For the purposes of this article, the words and  
52 phrases used in this section shall have the following meanings:

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

64 For the purposes of this article, any "employee" making

65 contributions to the Public Employees' Retirement System or the  
66 Highway Safety Patrol Retirement System shall be considered a  
67 full-time employee.

68 (b) "Department" means the Department of Finance and  
69 Administration.

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

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

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

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

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

81 25-15-15. (1) The board is authorized to determine the  
82 manner in which premiums and contributions by the state agencies,  
83 local school districts, colleges, universities, community/junior  
84 colleges and public libraries shall be collected to provide the  
85 self-insured health insurance program for employees as provided  
86 under this article. The state shall provide fifty percent (50%)  
87 of the cost of the above life insurance plan and one hundred  
88 percent (100%) of the cost of the above health insurance plan for  
89 all active full-time employees, and one hundred percent (100%) of  
90 the cost of the above health insurance plan for all retired  
91 members of the Public Employees' Retirement System who are  
92 employed by public school districts as school bus drivers. The  
93 employees shall be given the opportunity to purchase coverage for  
94 their eligible dependents with the premiums for such dependent  
95 coverage, as well as the employee's fifty percent (50%) share for  
96 his life insurance coverage, to be deductible from the employee's  
97 salary by the agency, department or institution head. Those

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