

By: Representative Moak

To: Insurance;
Appropriations

HOUSE BILL NO. 236

1 AN ACT TO AMEND SECTION 25-15-15, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT RETIRED JUDGES WHO ARE PLACED ON SENIOR STATUS MAY
3 CONTINUE TO RECEIVE STATE INSURANCE COVERAGE IF THEY WORK AS
4 SPECIAL JUDGES; AND FOR RELATED PURPOSES.

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

6 SECTION 1. Section 25-15-15, Mississippi Code of 1972, is
7 amended as follows:

8 [Through June 30 of the year in which Section 25-11-143
9 becomes effective as provided in subsection (1) of Section
10 25-11-143, this section shall read as follows:]

11 25-15-15. (1) The board is authorized to determine the
12 manner in which premiums and contributions by the state agencies,
13 local school districts, colleges, universities, community/junior
14 colleges and public libraries shall be collected to provide the
15 self-insured health insurance program for employees as provided
16 under this article. The state shall provide fifty percent (50%)
17 of the cost of the above life insurance plan for all active
18 full-time employees. The state shall provide one hundred percent
19 (100%) of the cost of the health insurance plan for active
20 full-time employees initially employed before January 1, 2006.
21 For active full-time employees initially employed on or after
22 January 1, 2006, the state shall provide one hundred percent
23 (100%) of the cost of a basic level of health insurance and the
24 employees may pay additional amounts to purchase additional
25 benefits or levels of coverage offered under the plan. All active
26 full-time employees shall be given the opportunity to purchase
27 coverage for their eligible dependents with the premiums for such
28 dependent coverage, as well as the employee's fifty percent (50%)

29 share for his life insurance coverage, to be deductible from the
30 employee's salary by the agency, department or institution head,
31 which deductions, together with the fifty percent (50%) share of
32 such life insurance premiums of such employing agency, department
33 or institution head from funds appropriated to or authorized to be
34 expended by the employing agency, department or institution head,
35 shall be deposited directly into a depository bank or special fund
36 in the State Treasury, as determined by the board. These funds
37 and interest earned on these funds may be used for the
38 disbursement of claims and shall be exempt from the appropriation
39 process.

40 (2) The state shall provide annually, by line item in the
41 Mississippi Library Commission appropriation bill, such funds to
42 pay one hundred percent (100%) of the cost of health insurance
43 under the State and School Employees Health Insurance Plan for
44 full-time library staff members in each public library in
45 Mississippi initially employed before January 1, 2006. For
46 full-time library staff members initially employed on or after
47 January 1, 2006, the state shall provide one hundred percent
48 (100%) of the cost of a basic level of health insurance under the
49 State and School Employees Health Insurance Plan and the employees
50 may pay additional amounts to purchase additional benefits or
51 levels of coverage offered under the plan. The commission shall
52 allot to each public library a sufficient amount of those funds
53 appropriated to pay the costs of insurance for eligible employees.
54 Any funds so appropriated by line item which are not expended
55 during the fiscal year for which such funds were appropriated
56 shall be carried forward for the same purposes during the next
57 succeeding fiscal year. If any premiums for the health insurance
58 and/or late charges and interest penalties are not paid by a
59 public library in a timely manner, as defined by the board, the
60 Mississippi Library Commission, upon notice by the board, shall

61 immediately withhold all subsequent disbursements of funds to that
62 public library.

63 (3) The state shall annually provide one hundred percent
64 (100%) of the cost of the health insurance plan for public school
65 district employees who work no less than twenty (20) hours during
66 each week and regular nonstudent school bus drivers, if such
67 employees and school bus drivers were initially employed before
68 January 1, 2006. For such employees and school bus drivers
69 initially employed on or after January 1, 2006, the state shall
70 provide one hundred percent (100%) of the cost of a basic level of
71 health insurance under the State and School Employees Health
72 Insurance Plan and the employees may pay additional amounts to
73 purchase additional benefits or levels of coverage offered under
74 the plan. Where federal funding is allowable to defray, in full
75 or in part, the cost of participation in the program by district
76 employees who work no less than twenty (20) hours during the week
77 and regular nonstudent bus drivers, whose salaries are paid, in
78 full or in part, by federal funds, the allowance under this
79 section shall be reduced to the extent of such federal funding.
80 Where the use of federal funds is allowable but not available, it
81 is the intent of the Legislature that school districts contribute
82 the cost of participation for such employees from local funds,
83 except that parent fees for child nutrition programs shall not be
84 increased to cover such cost.

85 (4) The state shall provide annually, by line item in the
86 community/junior college appropriation bill, such funds to pay one
87 hundred percent (100%) of the cost of the health insurance plan
88 for community/junior college district employees initially employed
89 before January 1, 2006, who work no less than twenty (20) hours
90 during each week. For such employees initially employed on or
91 after January 1, 2006, the state shall provide one hundred percent
92 (100%) of the cost of a basic level of health insurance under the
93 State and School Employees Health Insurance Plan and the employees

94 may pay additional amounts to purchase additional benefits or
95 levels of coverage offered under the plan.

96 (5) When the use of federal funding is allowable to defray,
97 in full or in part, the cost of participation in the insurance
98 plan by community/junior college district employees who work no
99 less than twenty (20) hours during each week, whose salaries are
100 paid, in full or in part, by federal funds, the allowance under
101 this section shall be reduced to the extent of the federal
102 funding. Where the use of federal funds is allowable but not
103 available, it is the intent of the Legislature that
104 community/junior college districts contribute the cost of
105 participation for such employees from local funds.

106 (6) Any community/junior college district may contribute to
107 the cost of coverage for any district employee from local
108 community/junior college district funds, and any public school
109 district may contribute to the cost of coverage for any district
110 employee from nonminimum program funds. Any part of the cost of
111 such coverage for participating employees of public school
112 districts and public community/junior college districts that is
113 not paid by the state shall be paid by the participating
114 employees, which shall be deducted from the salaries of the
115 employees in a manner determined by the board.

116 (7) Any funds appropriated for the cost of insurance by line
117 item in the community/junior colleges appropriation bill which are
118 not expended during the fiscal year for which such funds were
119 appropriated shall be carried forward for the same purposes during
120 the next succeeding fiscal year.

121 (8) The board may establish and enforce late charges and
122 interest penalties or other penalties for the purpose of requiring
123 the prompt payment of all premiums for life and health insurance
124 permitted under Chapter 15 of Title 25. All funds in excess of
125 the amount needed for disbursement of claims shall be deposited in
126 a special fund in the State Treasury to be known as the State and

127 School Employees Insurance Fund. The State Treasurer shall invest
128 all funds in the State and School Employees Insurance Fund and all
129 interest earned shall be credited to the State and School
130 Employees Insurance Fund. Such funds shall be placed with one or
131 more depositories of the state and invested on the first day such
132 funds are available for investment in certificates of deposit,
133 repurchase agreements or in United States Treasury bills or as
134 otherwise authorized by law for the investment of Public
135 Employees' Retirement System funds, as long as such investment is
136 made from competitive offering and at the highest and best market
137 rate obtainable consistent with any available investment
138 alternatives; however, such investments shall not be made in
139 shares of stock, common or preferred, or in any other investments
140 which would mature more than one (1) year from the date of
141 investment. The board shall have the authority to draw from this
142 fund periodically such funds as are necessary to operate the
143 self-insurance plan or to pay to the insurance carrier the cost of
144 operation of this plan, it being the purpose to limit the amount
145 of participation by the state to fifty percent (50%) of the cost
146 of the life insurance program and not to limit the contracting for
147 additional benefits where the cost will be paid in full by the
148 employee. The state shall not share in the cost of coverage for
149 retired employees.

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

154 (10) Except as otherwise provided herein for senior status
155 judges, any retired employee electing to purchase retired life and
156 health insurance will have the full cost of such insurance
157 deducted monthly from his State of Mississippi retirement plan
158 check or direct billed for the cost of the premium if the
159 retirement check is insufficient to pay for the premium. If the

160 board determines actuarially that the premium paid by the
161 participating retirees adversely affects the overall cost of the
162 plan to the state, then the board may impose a premium surcharge,
163 not to exceed fifteen percent (15%), upon such participating
164 retired employees who are under the age for Medicare eligibility
165 and who were initially employed before January 1, 2006. For
166 participating retired employees who are under the age for Medicare
167 eligibility and who were initially employed on or after January 1,
168 2006, the board may impose a premium surcharge in an amount the
169 board determines actuarially to cover the full cost of insurance.

170 (11) For purposes of insurance coverage under this section,
171 a retired judge who is placed on senior status in accordance with
172 Section 9-1-107 is considered an active full-time employee if he
173 serves as a special judge in accordance with Section 9-1-105.

174 **[From and after July 1 of the year in which Section 25-11-143**
175 **becomes effective as provided in subsection (1) of Section**
176 **25-11-143, this section shall read as follows:]**

177 25-15-15. (1) The board may determine the manner in which
178 premiums and contributions by the state agencies, local school
179 districts, colleges, universities, community/junior colleges and
180 public libraries will be collected to provide the self-insured
181 health insurance program for employees as provided under this
182 article. The state shall provide fifty percent (50%) of the cost
183 of the above life insurance plan for all active full-time
184 employees. The state shall provide one hundred percent (100%) of
185 the cost of the health insurance plan for active full-time
186 employees initially employed before January 1, 2006. For active
187 full-time employees initially employed on or after January 1,
188 2006, the state shall provide one hundred percent (100%) of the
189 cost of a basic level of health insurance and the employees may
190 pay additional amounts to purchase additional benefits or levels
191 of coverage offered under the plan. All active full-time
192 employees shall be given the opportunity to purchase coverage for

193 their eligible dependents with the premiums for the dependent
194 coverage, as well as the employee's fifty percent (50%) share for
195 his life insurance coverage, to be deductible from the employee's
196 salary by the agency, department or institution head. Those
197 deductions, together with the fifty percent (50%) share of the
198 life insurance premiums of the employing agency, department or
199 institution head from funds appropriated to or authorized to be
200 expended by the employing agency, department or institution head,
201 shall be deposited directly into a depository bank or special fund
202 in the State Treasury, as determined by the board. These funds
203 and interest earned on these funds may be used for the
204 disbursement of claims and shall be exempt from the appropriation
205 process.

206 (2) The state shall provide annually, by line item in the
207 Mississippi Library Commission appropriation bill, the funds to
208 pay one hundred percent (100%) of the cost of health insurance
209 under the State and School Employees Health Insurance Plan for all
210 full-time library staff members in each public library in
211 Mississippi initially employed before January 1, 2006. For
212 full-time library staff members initially employed on or after
213 January 1, 2006, the state shall provide one hundred percent
214 (100%) of the cost of a basic level of health insurance under the
215 State and School Employees Health Insurance Plan and the employees
216 may pay additional amounts to purchase additional benefits or
217 levels of coverage offered under the plan. The commission shall
218 allot to each public library a sufficient amount of those funds
219 appropriated to pay the costs of insurance for eligible employees.
220 Any funds so appropriated by line item that are not expended
221 during the fiscal year for which the funds were appropriated shall
222 be carried forward for the same purposes during the next
223 succeeding fiscal year. If any premiums for the health insurance
224 and/or late charges and interest penalties are not paid by a
225 public library in a timely manner, as defined by the board, the

226 Mississippi Library Commission, upon notice by the board, shall
227 immediately withhold all subsequent disbursements of funds to that
228 public library.

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230 (100%) of the cost of the health insurance plan for public school
231 district employees who work no less than twenty (20) hours during
232 each week and regular nonstudent school bus drivers, if such
233 employees and school bus drivers were initially employed before
234 January 1, 2006. For such employees and school bus drivers
235 initially employed on or after January 1, 2006, the state shall
236 provide one hundred percent (100%) of the cost of a basic level of
237 health insurance under the State and School Employees Health
238 Insurance Plan and the employees may pay additional amounts to
239 purchase additional benefits or levels of coverage offered under
240 the plan. Where federal funding is allowable to defray, in full
241 or in part, the cost of participation in the program by district
242 employees who work no less than twenty (20) hours during the week
243 and regular nonstudent bus drivers, whose salaries are paid, in
244 full or in part, by federal funds, the allowance under this
245 section shall be reduced to the extent of that federal funding.
246 Where the use of federal funds is allowable but not available, it
247 is the intent of the Legislature that school districts contribute
248 the cost of participation for the employees from local funds,
249 except that parent fees for child nutrition programs shall not be
250 increased to cover that cost.

251 (4) The state shall provide annually, by line item in the
252 community/junior college appropriation bill, the funds to pay one
253 hundred percent (100%) of the cost of the health insurance plan
254 for community/junior college district employees initially employed
255 before January 1, 2006, who work no less than twenty (20) hours
256 during each week. For such employees initially employed on or
257 after January 1, 2006, the state shall provide one hundred percent
258 (100%) of the cost of a basic level of health insurance under the

259 State and School Employees Health Insurance Plan and the employees
260 may pay additional amounts to purchase additional benefits or
261 levels of coverage offered under the plan.

262 (5) When the use of federal funding is allowable to defray,
263 in full or in part, the cost of participation in the insurance
264 plan by community/junior college district employees who work no
265 less than twenty (20) hours during each week, whose salaries are
266 paid, in full or in part, by federal funds, the allowance under
267 this section shall be reduced to the extent of the federal
268 funding. Where the use of federal funds is allowable but not
269 available, it is the intent of the Legislature that
270 community/junior college districts contribute the cost of
271 participation for the employees from local funds.

272 (6) Any community/junior college district may contribute to
273 the cost of coverage for any district employee from local
274 community/junior college district funds, and any public school
275 district may contribute to the cost of coverage for any district
276 employee from nonminimum program funds. Any part of the cost of
277 the coverage for participating employees of public school
278 districts and public community/junior college districts that is
279 not paid by the state shall be paid by the participating
280 employees, which shall be deducted from the salaries of the
281 employees in a manner determined by the board.

282 (7) Any funds appropriated for the cost of insurance by line
283 item in the community/junior colleges appropriation bill that are
284 not expended during the fiscal year for which the funds were
285 appropriated shall be carried forward for the same purposes during
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288 interest penalties or other penalties for the purpose of requiring
289 the prompt payment of all premiums for life and health insurance
290 permitted under Chapter 15 of Title 25. All funds in excess of
291 the amount needed for disbursement of claims shall be deposited in

292 a special fund in the State Treasury to be known as the State and
293 School Employees Insurance Fund. The State Treasurer shall invest
294 all funds in the State and School Employees Insurance Fund and all
295 interest earned shall be credited to the State and School
296 Employees Insurance Fund. Those funds shall be placed with one or
297 more depositories of the state and invested on the first day that
298 the funds are available for investment in certificates of deposit,
299 repurchase agreements or in United States Treasury bills or as
300 otherwise authorized by law for the investment of Public
301 Employees' Retirement System funds, as long as the investment is
302 made from competitive offering and at the highest and best market
303 rate obtainable consistent with any available investment
304 alternatives. However, those investments shall not be made in
305 shares of stock, common or preferred, or in any other investments
306 that would mature more than one (1) year from the date of
307 investment. The board shall have the authority to draw from this
308 fund periodically such funds as are necessary to operate the
309 self-insurance plan or to pay to the insurance carrier the cost of
310 operation of this plan, it being the purpose to limit the amount
311 of participation by the state to fifty percent (50%) of the cost
312 of the life insurance program and not to limit the contracting for
313 additional benefits where the cost will be paid in full by the
314 employee.

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

319 (10) For purposes of insurance coverage under this section,
320 a retired judge who is placed on senior status in accordance with
321 Section 9-1-107 is considered an active full-time employee if he
322 serves as a special judge in accordance with Section 9-1-105.

323 **SECTION 2.** This act shall take effect and be in force from
324 and after July 1, 2006.