

By: Senator(s) Brown

To: Insurance;
Appropriations

SENATE BILL NO. 2766

1 AN ACT TO AMEND SECTION 25-15-15, MISSISSIPPI CODE OF 1972,
2 TO ALLOW EMPLOYEES RETIRED FROM THE MISSISSIPPI HIGHWAY SAFETY
3 PATROL TO REMAIN ENROLLED IN THE STATE AND SCHOOL EMPLOYEES HEALTH
4 INSURANCE PLAN ON INACTIVE STATUS; 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) Any retired employee electing to purchase retired life
155 and health insurance will have the full cost of such insurance
156 deducted monthly from his State of Mississippi retirement plan
157 check or direct billed for the cost of the premium if the
158 retirement check is insufficient to pay for the premium. If the
159 board determines actuarially that the premium paid by the

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

169 (11) If retiring from the Mississippi Highway Safety Patrol,
170 a retired employee may elect to remain enrolled in the plan on
171 inactive status for a fee of Fifty Dollars (\$50.00) per month. As
172 an inactive participant of the plan, the retiree shall not be
173 eligible for retiree health coverage until he applies to change
174 his status and purchases retired health insurance coverage in the
175 manner provided in subsection (10). At any time the retired
176 employee on inactive status fails to pay the required monthly fee,
177 his enrollment shall be terminated and he will forfeit his right
178 to purchase coverage under the plan.

179 **[From and after July 1 of the year in which Section 25-11-143**
180 **becomes effective as provided in subsection (1) of Section**
181 **25-11-143, this section shall read as follows:]**

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

193 2006, the state shall provide one hundred percent (100%) of the
194 cost of a basic level of health insurance and the employees may
195 pay additional amounts to purchase additional benefits or levels
196 of coverage offered under the plan. All active full-time
197 employees shall be given the opportunity to purchase coverage for
198 their eligible dependents with the premiums for the dependent
199 coverage, as well as the employee's fifty percent (50%) share for
200 his life insurance coverage, to be deductible from the employee's
201 salary by the agency, department or institution head. Those
202 deductions, together with the fifty percent (50%) share of the
203 life insurance premiums of the employing agency, department or
204 institution head from funds appropriated to or authorized to be
205 expended by the employing agency, department or institution head,
206 shall be deposited directly into a depository bank or special fund
207 in the State Treasury, as determined by the board. These funds
208 and interest earned on these funds may be used for the
209 disbursement of claims and shall be exempt from the appropriation
210 process.

211 (2) The state shall provide annually, by line item in the
212 Mississippi Library Commission appropriation bill, the funds to
213 pay one hundred percent (100%) of the cost of health insurance
214 under the State and School Employees Health Insurance Plan for all
215 full-time library staff members in each public library in
216 Mississippi initially employed before January 1, 2006. For
217 full-time library staff members initially employed on or after
218 January 1, 2006, the state shall provide one hundred percent
219 (100%) of the cost of a basic level of health insurance under the
220 State and School Employees Health Insurance Plan and the employees
221 may pay additional amounts to purchase additional benefits or
222 levels of coverage offered under the plan. The commission shall
223 allot to each public library a sufficient amount of those funds
224 appropriated to pay the costs of insurance for eligible employees.
225 Any funds so appropriated by line item that are not expended

226 during the fiscal year for which the funds were appropriated shall
227 be carried forward for the same purposes during the next
228 succeeding fiscal year. If any premiums for the health insurance
229 and/or late charges and interest penalties are not paid by a
230 public library in a timely manner, as defined by the board, the
231 Mississippi Library Commission, upon notice by the board, shall
232 immediately withhold all subsequent disbursements of funds to that
233 public library.

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

256 (4) The state shall provide annually, by line item in the
257 community/junior college appropriation bill, the funds to pay one
258 hundred percent (100%) of the cost of the health insurance plan

259 for community/junior college district employees initially employed
260 before January 1, 2006, who work no less than twenty (20) hours
261 during each week. For such employees initially employed on or
262 after January 1, 2006, the state shall provide one hundred percent
263 (100%) of the cost of a basic level of health insurance under the
264 State and School Employees Health Insurance Plan and the employees
265 may pay additional amounts to purchase additional benefits or
266 levels of coverage offered under the plan.

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

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

287 (7) Any funds appropriated for the cost of insurance by line
288 item in the community/junior colleges appropriation bill that are
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294 the prompt payment of all premiums for life and health insurance
295 permitted under Chapter 15 of Title 25. All funds in excess of
296 the amount needed for disbursement of claims shall be deposited in
297 a special fund in the State Treasury to be known as the State and
298 School Employees Insurance Fund. The State Treasurer shall invest
299 all funds in the State and School Employees Insurance Fund and all
300 interest earned shall be credited to the State and School
301 Employees Insurance Fund. Those funds shall be placed with one or
302 more depositories of the state and invested on the first day that
303 the funds are available for investment in certificates of deposit,
304 repurchase agreements or in United States Treasury bills or as
305 otherwise authorized by law for the investment of Public
306 Employees' Retirement System funds, as long as the investment is
307 made from competitive offering and at the highest and best market
308 rate obtainable consistent with any available investment
309 alternatives. However, those investments shall not be made in
310 shares of stock, common or preferred, or in any other investments
311 that would mature more than one (1) year from the date of
312 investment. The board shall have the authority to draw from this
313 fund periodically such funds as are necessary to operate the
314 self-insurance plan or to pay to the insurance carrier the cost of
315 operation of this plan, it being the purpose to limit the amount
316 of participation by the state to fifty percent (50%) of the cost
317 of the life insurance program and not to limit the contracting for
318 additional benefits where the cost will be paid in full by the
319 employee.

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

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