

By: Representative Coleman (29th)

To: Appropriations

HOUSE BILL NO. 738

1 AN ACT TO AMEND SECTION 25-15-15, MISSISSIPPI CODE OF 1972,  
2 TO PROVIDE THAT THE STATE SHALL PAY 100% OF THE COST OF THE HEALTH  
3 INSURANCE PREMIUMS FOR RETIRED MEMBERS OF THE PUBLIC EMPLOYEES'  
4 RETIREMENT SYSTEM; 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. \* \* \*

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

153 (10) The state shall provide one hundred percent (100%) of  
154 the cost of the health insurance plan for retired employees. Any  
155 retired employee electing to purchase retired life insurance or  
156 health insurance for his dependents will have the full cost of  
157 such insurance deducted monthly from his State of Mississippi  
158 retirement plan check or direct billed for the cost of the premium  
159 if the retirement check is insufficient to pay for the premium.

160 If the 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 have dependents under the age for Medicare  
165 eligibility and who were initially employed before January 1,  
166 2006. For participating retired employees who have dependents  
167 under the age for Medicare eligibility and who were initially  
168 employed on or after January 1, 2006, the board may impose a  
169 premium surcharge in an amount the board determines actuarially to  
170 cover the full cost of insurance.

171 **[From and after July 1 of the year in which Section 25-11-143**  
172 **becomes effective as provided in subsection (1) of Section**  
173 **25-11-143, this section shall read as follows:]**

174 25-15-15. (1) The board may determine the manner in which  
175 premiums and contributions by the state agencies, local school  
176 districts, colleges, universities, community/junior colleges and  
177 public libraries will be collected to provide the self-insured  
178 health insurance program for employees as provided under this  
179 article. The state shall provide fifty percent (50%) of the cost  
180 of the above life insurance plan for all active full-time  
181 employees. The state shall provide one hundred percent (100%) of  
182 the cost of the health insurance plan for active full-time  
183 employees initially employed before January 1, 2006. For active  
184 full-time employees initially employed on or after January 1,  
185 2006, the state shall provide one hundred percent (100%) of the  
186 cost of a basic level of health insurance and the employees may  
187 pay additional amounts to purchase additional benefits or levels  
188 of coverage offered under the plan. All active full-time  
189 employees shall be given the opportunity to purchase coverage for  
190 their eligible dependents with the premiums for the dependent  
191 coverage, as well as the employee's fifty percent (50%) share for  
192 his life insurance coverage, to be deductible from the employee's

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

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

226           (3) The state shall annually provide one hundred percent  
227 (100%) of the cost of the health insurance plan for public school  
228 district employees who work no less than twenty (20) hours during  
229 each week and regular nonstudent school bus drivers, if such  
230 employees and school bus drivers were initially employed before  
231 January 1, 2006. For such employees and school bus drivers  
232 initially employed on or after January 1, 2006, the state shall  
233 provide one hundred percent (100%) of the cost of a basic level of  
234 health insurance under the State and School Employees Health  
235 Insurance Plan and the employees may pay additional amounts to  
236 purchase additional benefits or levels of coverage offered under  
237 the plan. Where federal funding is allowable to defray, in full  
238 or in part, the cost of participation in the program by district  
239 employees who work no less than twenty (20) hours during the week  
240 and regular nonstudent bus drivers, whose salaries are paid, in  
241 full or in part, by federal funds, the allowance under this  
242 section shall be reduced to the extent of that federal funding.  
243 Where the use of federal funds is allowable but not available, it  
244 is the intent of the Legislature that school districts contribute  
245 the cost of participation for the employees from local funds,  
246 except that parent fees for child nutrition programs shall not be  
247 increased to cover that cost.

248           (4) The state shall provide annually, by line item in the  
249 community/junior college appropriation bill, the funds to pay one  
250 hundred percent (100%) of the cost of the health insurance plan  
251 for community/junior college district employees initially employed  
252 before January 1, 2006, who work no less than twenty (20) hours  
253 during each week. For such employees initially employed on or  
254 after January 1, 2006, the state shall provide one hundred percent  
255 (100%) of the cost of a basic level of health insurance under the  
256 State and School Employees Health Insurance Plan and the employees  
257 may pay additional amounts to purchase additional benefits or  
258 levels of coverage offered under the plan.



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

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

279           (7) Any funds appropriated for the cost of insurance by line  
280 item in the community/junior colleges appropriation bill that are  
281 not expended during the fiscal year for which the funds were  
282 appropriated shall be carried forward for the same purposes during  
283 the next succeeding fiscal year.

284           (8) The board may establish and enforce late charges and  
285 interest penalties or other penalties for the purpose of requiring  
286 the prompt payment of all premiums for life and health insurance  
287 permitted under Chapter 15 of Title 25. All funds in excess of  
288 the amount needed for disbursement of claims shall be deposited in  
289 a special fund in the State Treasury to be known as the State and  
290 School Employees Insurance Fund. The State Treasurer shall invest  
291 all funds in the State and School Employees Insurance Fund and all

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

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

316 **SECTION 2.** This act shall take effect and be in force from  
317 and after July 1, 2007.