

By: Representative Zuber

To: Insurance

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1141

1 AN ACT TO AMEND SECTION 25-15-3, MISSISSIPPI CODE OF 1972, TO
2 PROVIDE THAT CONTRACT PERSONNEL, WHETHER CLASSIFIED AS CONTRACT
3 WORKERS OR INDEPENDENT CONTRACTORS, WHO WORK MORE THAN THIRTY (30)
4 HOURS A WEEK, SHALL BE CONSIDERED AN "EMPLOYEE" FOR PURPOSES OF
5 THE STATE EMPLOYEES LIFE AND HEALTH INSURANCE PLAN; TO AMEND
6 SECTION 25-9-120, MISSISSIPPI CODE OF 1972, TO CONFORM; TO BRING
7 FORWARD SECTION 25-15-15, MISSISSIPPI CODE OF 1972, FOR THE
8 PURPOSE OF POSSIBLE AMENDMENT; AND FOR RELATED PURPOSES.

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

10 **SECTION 1.** Section 25-15-3, Mississippi Code of 1972, is
11 amended as follows:

12 25-15-3. For the purposes of this article, the words and
13 phrases used herein shall have the following meanings:

14 (a) "Employee" means a person who works full time for
15 the State of Mississippi and receives his compensation in a direct
16 payment from a department, agency or institution of the state
17 government and any person who works full time for any school
18 district, community/junior college, public library or
19 university-based program authorized under Section 37-23-31 for
20 deaf, aphasic and emotionally disturbed children or any regular
21 nonstudent bus driver. This shall include legislators, employees



22 of the legislative branch and the judicial branch of the state and
23 "employees" shall include full-time salaried judges and full-time
24 district attorneys and their staff and full-time compulsory school
25 attendance officers. This shall include contract personnel,
26 whether classified as contract workers or independent contractors,
27 who work more than thirty (30) hours a week. For the purposes of
28 this article, any "employee" making contributions to the State of
29 Mississippi retirement plan shall be considered a full-time
30 employee.

31 (b) "Department" means the Department of Finance and
32 Administration.

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

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

37 (e) "Retiree" means any employee retired under the
38 Mississippi retirement plan.

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

41 **SECTION 2.** Section 25-9-120, Mississippi Code of 1972, is
42 amended as follows:

43 25-9-120. (1) Contract personnel, whether classified as
44 contract workers or independent contractors shall not be deemed
45 state service or nonstate service employees of the State of
46 Mississippi, and shall not be eligible to participate in the



47 Public Employees' Retirement System * * * nor be allowed credit
48 for personal and sick leave and other leave benefits as employees
49 of the State of Mississippi, notwithstanding Sections 25-3-91
50 through 25-3-101; 25-9-101 through 25-9-151; 25-11-1 through
51 25-11-126; 25-11-128 through 25-11-131; 25-15-1 through 25-15-23
52 and for the purpose set forth herein. Contract workers, i.e.,
53 contract personnel who do not meet the criteria of independent
54 contractors, shall be subject to the provisions of Section
55 25-11-127.

56 (2) The Personal Service Contract Review Board is abolished.
57 The Public Procurement Review Board shall be the Personal Service
58 Contract Review Board and shall retain all powers and duties
59 granted by law to the Personal Service Contract Review Board. All
60 equipment, inventories, records, personnel, resources and other
61 property, real or personal, tangible or intangible, of the
62 Personal Service Contract Review Board shall be transferred to the
63 Public Procurement Review Board as provided in Section 27-104-7.
64 The transfer of personnel shall be commensurate with the number
65 and classification of positions (PINS) allocated to the Personal
66 Service Contract Review Board on June 30, 2017. Wherever the
67 terms "Personal Service Contract Review Board" or "board," when
68 referring to the Personal Service Contract Review Board, appear in
69 any law, rule, regulation or document the same shall be construed
70 to mean the Public Procurement Review Board.



71 **SECTION 3.** Section 25-15-15, Mississippi Code of 1972, is
72 brought forward as follows:

73 25-15-15. (1) The board is authorized to determine the
74 manner in which premiums and contributions by the state agencies,
75 local school districts, colleges, universities, community/junior
76 colleges and public libraries shall be collected to provide the
77 self-insured health insurance program for employees as provided
78 under this article. The state shall provide fifty percent (50%)
79 of the cost of the above life insurance plan for all active
80 full-time employees. The state shall provide one hundred percent
81 (100%) of the cost of the health insurance plan for active
82 full-time employees initially employed before January 1, 2006,
83 except as otherwise provided in this section. For active
84 full-time employees initially employed on or after January 1,
85 2006, the state shall provide one hundred percent (100%) of the
86 cost of a basic level of health insurance, except as otherwise
87 provided in this section, and the employees may pay additional
88 amounts to purchase additional benefits or levels of coverage
89 offered under the plan. The board, if determined to be necessary,
90 may assess active full-time employees a portion of the active
91 employee premium in an amount not to exceed Twenty Dollars
92 (\$20.00) per month, notwithstanding any language in this section
93 to the contrary. All active full-time employees shall be given
94 the opportunity to purchase coverage for their eligible dependents
95 with the premiums for such dependent coverage, as well as the



96 employee's fifty percent (50%) share for his life insurance
97 coverage, to be deductible from the employee's salary by the
98 agency, department or institution head, which deductions, together
99 with the fifty percent (50%) share of such life insurance premiums
100 of such employing agency, department or institution head from
101 funds appropriated to or authorized to be expended by the
102 employing agency, department or institution head, shall be
103 deposited directly into a depository bank or special fund in the
104 State Treasury, as determined by the board. These funds and
105 interest earned on these funds may be used for the disbursement of
106 claims and shall be exempt from the appropriation 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, or any
111 lesser percentage of the cost that is not assessed to the
112 employees by the board, for full-time library staff members in
113 each public library in Mississippi initially employed before
114 January 1, 2006. For full-time library staff members initially
115 employed on or after January 1, 2006, the state shall provide one
116 hundred percent (100%) of the cost of a basic level of health
117 insurance under the State and School Employees Health Insurance
118 Plan, or any lesser percentage of the cost that is not assessed to
119 the employees by the board, and the employees may pay additional
120 amounts to purchase additional benefits or levels of coverage



121 offered under the plan. The commission shall allot to each public
122 library a sufficient amount of those funds appropriated to pay the
123 costs of insurance for eligible employees. Any funds so
124 appropriated by line item which are not expended during the fiscal
125 year for which such funds were appropriated shall be carried
126 forward for the same purposes during the next succeeding fiscal
127 year. If any premiums for the health insurance and/or late
128 charges and interest penalties are not paid by a public library in
129 a timely manner, as defined by the board, the Mississippi Library
130 Commission, upon notice by the board, shall immediately withhold
131 all subsequent disbursements of funds to that public library.

132 (3) The state shall annually provide one hundred percent
133 (100%) of the cost of the health insurance plan, or any lesser
134 percentage of the cost that is not assessed to the employees by
135 the board, for public school district employees who work no less
136 than twenty (20) hours during each week and regular nonstudent
137 school bus drivers, if such employees and school bus drivers were
138 initially employed before January 1, 2006. For such employees and
139 school bus drivers initially employed on or after January 1, 2006,
140 the state shall provide one hundred percent (100%) of the cost of
141 a basic level of health insurance under the State and School
142 Employees Health Insurance Plan, or any lesser percentage of the
143 cost that is not assessed to the employees by the board, and the
144 employees may pay additional amounts to purchase additional
145 benefits or levels of coverage offered under the plan. Where



146 federal funding is allowable to defray, in full or in part, the
147 cost of participation in the program by district employees who
148 work no less than twenty (20) hours during the week and regular
149 nonstudent bus drivers, whose salaries are paid, in full or in
150 part, by federal funds, the allowance under this section shall be
151 reduced to the extent of such federal funding. Where the use of
152 federal funds is allowable but not available, it is the intent of
153 the Legislature that school districts contribute the cost of
154 participation for such employees from local funds, except that
155 parent fees for child nutrition programs shall not be increased to
156 cover such cost.

157 (4) The state shall provide annually, by line item in the
158 community/junior college appropriation bill, such funds to pay one
159 hundred percent (100%) of the cost of the health insurance plan,
160 or any lesser percentage of the cost that is not assessed to the
161 employees by the board, for community/junior college district
162 employees initially employed before January 1, 2006, who work no
163 less than twenty (20) hours during each week. For such employees
164 initially employed on or after January 1, 2006, the state shall
165 provide one hundred percent (100%) of the cost of a basic level of
166 health insurance under the State and School Employees Health
167 Insurance Plan, or any lesser percentage of the cost that is not
168 assessed to the employees by the board, and the employees may pay
169 additional amounts to purchase additional benefits or levels of
170 coverage offered under the plan.



171 (5) When the use of federal funding is allowable to defray,
172 in full or in part, the cost of participation in the insurance
173 plan by community/junior college district employees who work no
174 less than twenty (20) hours during each week, whose salaries are
175 paid, in full or in part, by federal funds, the allowance under
176 this section shall be reduced to the extent of the federal
177 funding. Where the use of federal funds is allowable but not
178 available, it is the intent of the Legislature that
179 community/junior college districts contribute the cost of
180 participation for such employees from local funds.

181 (6) Any community/junior college district may contribute to
182 the cost of coverage for any district employee from local
183 community/junior college district funds, and any public school
184 district may contribute to the cost of coverage for any district
185 employee from nonminimum program funds. Any part of the cost of
186 such coverage for participating employees of public school
187 districts and public community/junior college districts that is
188 not paid by the state shall be paid by the participating
189 employees, which shall be deducted from the salaries of the
190 employees in a manner determined by the board.

191 (7) Any funds appropriated for the cost of insurance by line
192 item in the community/junior colleges appropriation bill which are
193 not expended during the fiscal year for which such funds were
194 appropriated shall be carried forward for the same purposes during
195 the next succeeding fiscal year.



196 (8) The board may establish and enforce late charges and
197 interest penalties or other penalties for the purpose of requiring
198 the prompt payment of all premiums for life and health insurance
199 permitted under this chapter. All funds in excess of the amount
200 needed for disbursement of claims shall be deposited in a special
201 fund in the State Treasury to be known as the State and School
202 Employees Insurance Fund. The State Treasurer shall invest all
203 funds in the State and School Employees Insurance Fund and all
204 interest earned shall be credited to the State and School
205 Employees Insurance Fund. Such funds shall be placed with one or
206 more depositories of the state and invested on the first day such
207 funds are available for investment in certificates of deposit,
208 repurchase agreements or in United States Treasury bills or as
209 otherwise authorized by law for the investment of Public
210 Employees' Retirement System funds, as long as such investment is
211 made from competitive offering and at the highest and best market
212 rate obtainable consistent with any available investment
213 alternatives; however, such investments shall not be made in
214 shares of stock, common or preferred, or in any other investments
215 which would mature more than one (1) year from the date of
216 investment. The board shall have the authority to draw from this
217 fund periodically such funds as are necessary to operate the
218 self-insurance plan or to pay to the insurance carrier the cost of
219 operation of this plan, it being the purpose to limit the amount
220 of participation by the state to fifty percent (50%) of the cost



221 of the life insurance program and not to limit the contracting for
222 additional benefits where the cost will be paid in full by the
223 employee. The state shall not share in the cost of coverage for
224 retired employees.

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

229 (10) Any retired employee electing to purchase retired life
230 and health insurance will have the full cost of such insurance
231 deducted monthly from his State of Mississippi retirement plan
232 check or direct billed for the cost of the premium if the
233 retirement check is insufficient to pay for the premium. If the
234 board determines actuarially that the premium paid by the
235 participating retirees adversely affects the overall cost of the
236 plan to the state, then the board may impose a premium surcharge,
237 not to exceed fifteen percent (15%), upon such participating
238 retired employees who are under the age for Medicare eligibility
239 and who were initially employed before January 1, 2006. For
240 participating retired employees who are under the age for Medicare
241 eligibility and who were initially employed on or after January 1,
242 2006, the board may impose a premium surcharge in an amount the
243 board determines actuarially to cover the full cost of insurance.

244 (11) This section shall stand repealed on July 1, 2026.



245 **SECTION 4.** This act shall take effect and be in force from
246 and after July 1, 2023, and shall stand repealed on June 30, 2023.

