

By: Representative Davis

To: Insurance;
Appropriations

HOUSE BILL NO. 360

1 AN ACT TO AMEND SECTION 25-15-15, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT THE STATE SHALL PAY FIFTY PERCENT OF THE COST OF
3 THE PREMIUMS FOR HEALTH INSURANCE FOR RETIRED STATE AND SCHOOL
4 EMPLOYEES; 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 25-15-15. (1) The board is authorized to determine the
9 manner in which premiums and contributions by the state agencies,
10 local school districts, colleges, universities, community/junior
11 colleges and public libraries shall be collected to provide the
12 self-insured health insurance program for employees as provided
13 under this article. The state shall provide fifty percent (50%)
14 of the cost of the above life insurance plan and one hundred
15 percent (100%) of the cost of the above health insurance plan for
16 all active full-time employees, and the employees shall be given
17 the opportunity to purchase coverage for their eligible dependents
18 with the premiums for such dependent coverage as well as the
19 employee's fifty percent (50%) share for his life insurance
20 coverage to be deductible from the employee's salary by the
21 agency, department or institution head, which deductions, together
22 with the fifty percent (50%) share of such life insurance premiums
23 of such employing agency, department or institution head from
24 funds appropriated to or authorized to be expended by such
25 employing agency, department or institution head, shall be
26 deposited directly into a depository bank or special fund in the
27 State Treasury, as determined by the board. These funds and



28 interest earned on these funds may be used for the disbursement of
29 claims and shall be exempt from the appropriation process.

30 (2) The state shall provide annually, by line item in the
31 Mississippi Library Commission appropriation bill, such funds to
32 pay one hundred percent (100%) of the cost of health insurance
33 under the State and School Employees Health Insurance Plan for all
34 full-time library staff members in each public library in
35 Mississippi. The commission shall allot to each public library a
36 sufficient amount of those funds appropriated to pay the costs of
37 insurance for eligible employees. Any funds so appropriated by
38 line item which are not expended during the fiscal year for which
39 such funds were appropriated shall be carried forward for the same
40 purposes during the next succeeding fiscal year. If any premiums
41 for the health insurance and/or late charges and interest
42 penalties are not paid by a public library in a timely manner, as
43 defined by the board, the Mississippi Library Commission, upon
44 notice by the board, shall immediately withhold all subsequent
45 disbursements of funds to that public library.

46 (3) The state shall annually provide one hundred percent
47 (100%) of the cost of the health insurance plan for all public
48 school district employees who work no less than twenty (20) hours
49 during each week and regular nonstudent school bus drivers. Where
50 federal funding is allowable to defray, in full or in part, the
51 cost of participation in the program by district employees who
52 work no less than twenty (20) hours during the week and regular
53 nonstudent bus drivers, whose salaries are paid, in full or in
54 part, by federal funds, the allowance under this section shall be
55 reduced to the extent of such federal funding. Where the use of
56 federal funds is allowable but not available, it is the intent of
57 the Legislature that school districts contribute the cost of
58 participation for such employees from local funds, except that
59 parent fees for child nutrition programs shall not be increased to
60 cover such cost.



61 (4) The state shall provide annually, by line item in the
62 community/junior college appropriation bill, such funds to pay one
63 hundred percent (100%) of the cost of the health insurance plan
64 for all community/junior college district employees who work no
65 less than twenty (20) hours during each week.

66 (5) When the use of federal funding is allowable to defray,
67 in full or in part, the cost of participation in the insurance
68 plan by community/junior college district employees who work no
69 less than twenty (20) hours during each week, whose salaries are
70 paid, in full or in part, by federal funds, the allowance under
71 this section shall be reduced to the extent of the federal
72 funding. Where the use of federal funds is allowable but not
73 available, it is the intent of the Legislature that
74 community/junior college districts contribute the cost of
75 participation for such employees from local funds.

76 (6) Any community/junior college district may contribute to
77 the cost of coverage for any district employee from local
78 community/junior college district funds, and any public school
79 district may contribute to the cost of coverage for any district
80 employee from nonminimum program funds. Any part of the cost of
81 such coverage for participating employees of public school
82 districts and public community/junior college districts that is
83 not paid by the state shall be paid by the participating
84 employees, which shall be deducted from the salaries of the
85 employees in a manner determined by the board.

86 (7) Any funds appropriated for the cost of insurance by line
87 item in the community/junior colleges appropriation bill which are
88 not expended during the fiscal year for which such funds were
89 appropriated shall be carried forward for the same purposes during
90 the next succeeding fiscal year.

91 (8) The board may establish and enforce late charges and
92 interest penalties or other penalties for the purpose of requiring
93 the prompt payment of all premiums for life and health insurance



94 permitted under Chapter 15 of Title 25. All funds in excess of
95 the amount needed for disbursement of claims shall be deposited in
96 a special fund in the State Treasury to be known as the State and
97 School Employees Insurance Fund. The State Treasurer shall invest
98 all funds in the State and School Employees Insurance Fund and all
99 interest earned shall be credited to the State and School
100 Employees Insurance Fund. Such funds shall be placed with one or
101 more depositories of the state and invested on the first day such
102 funds are available for investment in certificates of deposit,
103 repurchase agreements or in United States Treasury bills or as
104 otherwise authorized by law for the investment of Public
105 Employees' Retirement System funds, as long as such investment is
106 made from competitive offering and at the highest and best market
107 rate obtainable consistent with any available investment
108 alternatives; however, such investments shall not be made in
109 shares of stock, common or preferred, or in any other investments
110 which would mature more than one (1) year from the date of
111 investment. The board shall have the authority to draw from this
112 fund periodically such funds as are necessary to operate the
113 self-insurance plan or to pay to the insurance carrier the cost of
114 operation of this plan, it being the purpose to limit the amount
115 of participation by the state to fifty percent (50%) of the cost
116 of the life insurance program and not to limit the contracting for
117 additional benefits where the cost will be paid in full by the
118 employee. The state shall not share in the cost of coverage for
119 retired employees.

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

124 (10) The state shall pay fifty percent (50%) of the cost of
125 the health insurance premiums for retired employees. Any retired
126 employee electing to purchase retired life and health insurance or



127 health insurance for his dependents shall have fifty percent (50%)
128 of the cost of his health insurance premium and the full cost of
129 the premium for the dependent coverage and the premium for the
130 life insurance deducted monthly from his State of Mississippi
131 retirement plan check or direct billed for the cost of the premium
132 if the retirement check is insufficient to pay for the premium.
133 If the board determines actuarially that the premium paid for the
134 participating retirees adversely affects the overall cost of the
135 plan to the state, then the department may impose a premium
136 surcharge, not to exceed fifteen percent (15%), upon such
137 participating retired employees who are under the age for Medicare
138 eligibility.

139 **SECTION 2.** This act shall take effect and be in force from
140 and after July 1, 2002.

