

By: Representative Watson

To: Insurance;
Appropriations

HOUSE BILL NO. 740

1 AN ACT TO AMEND SECTIONS 25-15-3 AND 25-15-15, MISSISSIPPI
2 CODE OF 1972, TO PROVIDE THAT A JUDGE WHO RESIGNS DUE TO A
3 DISABILITY SHALL CONTINUE TO RECEIVE STATE INSURANCE COVERAGE FOR
4 THE REMAINDER OF THE TERM TO WHICH SUCH JUDGE WAS ELECTED; AND FOR
5 RELATED PURPOSES.

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

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

9 25-15-3. For the purposes of this article, the words and
10 phrases used herein shall have the following meanings:

11 (a) "Employee" means a person who works full time for
12 the State of Mississippi and receives his compensation in a direct
13 payment from a department, agency or institution of the State
14 Government and any person who works full time for any school
15 district, community/junior college, public library or
16 university-based program authorized under Section 37-23-31 for
17 deaf, aphasic and emotionally disturbed children or any regular
18 nonstudent bus driver. This shall include legislators, employees
19 of the legislative branch and the judicial branch of the state and
20 "employees" shall include full-time salaried judges and full-time
21 district attorneys and their staff and full-time compulsory school
22 attendance officers and judges who resign due to a disability for
23 the remainder of the term to which the judge was elected. For the
24 purposes of this article, any "employee" making contributions to
25 the State of Mississippi retirement plan shall be considered a
26 full-time employee.

27 (b) "Department" means the Department of Finance and
28 Administration.



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

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

33 (e) "Retiree" means any employee retired under the
34 Mississippi retirement plan.

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

37 **SECTION 2.** Section 25-15-15, Mississippi Code of 1972, is
38 amended as follows:

39 25-15-15. (1) The board is authorized to determine the
40 manner in which premiums and contributions by the state agencies,
41 local school districts, colleges, universities, community/junior
42 colleges and public libraries shall be collected to provide the
43 self-insured health insurance program for employees as provided
44 under this article. The state shall provide fifty percent (50%)
45 of the cost of the above life insurance plan and one hundred
46 percent (100%) of the cost of the above health insurance plan for
47 all active full-time employees, and the employees shall be given
48 the opportunity to purchase coverage for their eligible dependents
49 with the premiums for such dependent coverage as well as the
50 employee's fifty percent (50%) share for his life insurance
51 coverage to be deductible from the employee's salary by the
52 agency, department or institution head, which deductions, together
53 with the fifty percent (50%) share of such life insurance premiums
54 of such employing agency, department or institution head from
55 funds appropriated to or authorized to be expended by such
56 employing agency, department or institution head, shall be
57 deposited directly into a depository bank or special fund in the
58 State Treasury, as determined by the board. These funds and
59 interest earned on these funds may be used for the disbursement of
60 claims and shall be exempt from the appropriation process.



61 (2) The state shall provide annually, by line item in the
62 Mississippi Library Commission appropriation bill, such funds to
63 pay one hundred percent (100%) of the cost of health insurance
64 under the State and School Employees Health Insurance Plan for all
65 full-time library staff members in each public library in
66 Mississippi. The commission shall allot to each public library a
67 sufficient amount of those funds appropriated to pay the costs of
68 insurance for eligible employees. Any funds so appropriated by
69 line item which are not expended during the fiscal year for which
70 such funds were appropriated shall be carried forward for the same
71 purposes during the next succeeding fiscal year. If any premiums
72 for the health insurance and/or late charges and interest
73 penalties are not paid by a public library in a timely manner, as
74 defined by the board, the Mississippi Library Commission, upon
75 notice by the board, shall immediately withhold all subsequent
76 disbursements of funds to that public library.

77 (3) The state shall annually provide one hundred percent
78 (100%) of the cost of the health insurance plan for all public
79 school district employees who work no less than twenty (20) hours
80 during each week and regular nonstudent school bus drivers. Where
81 federal funding is allowable to defray, in full or in part, the
82 cost of participation in the program by district employees who
83 work no less than twenty (20) hours during the week and regular
84 nonstudent bus drivers, whose salaries are paid, in full or in
85 part, by federal funds, the allowance under this section shall be
86 reduced to the extent of such federal funding. Where the use of
87 federal funds is allowable but not available, it is the intent of
88 the Legislature that school districts contribute the cost of
89 participation for such employees from local funds, except that
90 parent fees for child nutrition programs shall not be increased to
91 cover such cost.

92 (4) The state shall provide annually, by line item in the
93 community/junior college appropriation bill, such funds to pay one



94 hundred percent (100%) of the cost of the health insurance plan
95 for all community/junior college district employees who work no
96 less than twenty (20) hours during each week.

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

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

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

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



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

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

155 (10) Except as otherwise provided by subsection (11) of this
156 section for disabled judges, any retired employee electing to
157 purchase retired life and health insurance will have the full cost
158 of such insurance deducted monthly from his State of Mississippi
159 retirement plan check or direct billed for the cost of the premium



160 if the retirement check is insufficient to pay for the premium.
161 If the board determines actuarially that the premium paid by the
162 participating retirees adversely affects the overall cost of the
163 plan to the state, then the department may impose a premium
164 surcharge, not to exceed fifteen percent (15%), upon such
165 participating retired employees who are under the age for Medicare
166 eligibility.

167 (11) For purposes of insurance coverage under this section,
168 a judge who resigns due to disability shall be considered an
169 active full-time employee for the remainder of the term to which
170 the judge was elected.

171 **SECTION 3.** This act shall take effect and be in force from
172 and after July 1, 2002.

