

By: Representative McCarty

To: Insurance;
Appropriations A

HOUSE BILL NO. 1694

1 AN ACT TO AMEND SECTION 25-15-15, MISSISSIPPI CODE OF 1972,
2 TO REVISE THE STATE AND SCHOOL EMPLOYEES LIFE AND HEALTH INSURANCE
3 PLAN TO REQUIRE THE STATE TO PROVIDE FIFTY PERCENT OF THE COST OF
4 THE HEALTH INSURANCE PLAN FOR THE ELIGIBLE DEPENDENTS OF FULL-TIME
5 EMPLOYEES; AND FOR RELATED PURPOSES.

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

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

9 25-15-15. (1) The board is authorized to determine the
10 manner in which premiums and contributions by the state agencies,
11 local school districts, colleges, universities, community/junior
12 colleges and public libraries shall be collected to provide the
13 self-insured health insurance program for employees as provided
14 under this article. The state shall provide fifty percent (50%)
15 of the cost of the above life insurance plan for all active
16 full-time employees. The state shall provide one hundred percent
17 (100%) of the cost of the health insurance plan for coverage of
18 active full-time employees initially employed before January 1,
19 2006, and fifty percent (50%) of the cost of the health insurance



20 plan for coverage of their eligible dependents, except as
21 otherwise provided in this section. For active full-time
22 employees initially employed on or after January 1, 2006, the
23 state shall provide one hundred percent (100%) of the cost of a
24 basic level of health insurance for coverage of the employee and
25 fifty percent (50%) of the cost of the health insurance plan for
26 coverage of their eligible dependents, except as otherwise
27 provided in this section, and the employees may pay additional
28 amounts to purchase additional benefits or levels of coverage
29 offered under the plan. The board, if determined to be necessary,
30 may assess active full-time employees a portion of the active
31 employee premium in an amount not to exceed Twenty Dollars
32 (\$20.00) per month, notwithstanding any language in this section
33 to the contrary. All active full-time employees shall be given
34 the opportunity to purchase the employee's fifty percent (50%)
35 share of coverage for their eligible dependents with the premiums
36 for such dependent coverage, as well as the employee's fifty
37 percent (50%) share for his life insurance coverage, to be
38 deductible from the employee's salary by the agency, department or
39 institution head, which deductions, together with the fifty
40 percent (50%) share of such coverage of their eligible dependents
41 and fifty percent (50%) share of such life insurance premiums of
42 such employing agency, department or institution head from funds
43 appropriated to or authorized to be expended by the employing
44 agency, department or institution head, shall be deposited



45 directly into a depository bank or special fund in the State
46 Treasury, as determined by the board. These funds and interest
47 earned on these funds may be used for the disbursement of claims
48 and shall be exempt from the appropriation process.

49 (2) The state shall provide annually, by line item in the
50 Mississippi Library Commission appropriation bill, such funds to
51 pay one hundred percent (100%) of the cost of health insurance
52 under the State and School Employees Health Insurance Plan, or any
53 lesser percentage of the cost that is not assessed to the
54 employees by the board, for full-time library staff members in
55 each public library in Mississippi initially employed before
56 January 1, 2006. For full-time library staff members initially
57 employed on or after January 1, 2006, the state shall provide one
58 hundred percent (100%) of the cost of a basic level of health
59 insurance under the State and School Employees Health Insurance
60 Plan, or any lesser percentage of the cost that is not assessed to
61 the employees by the board, and the employees may pay additional
62 amounts to purchase additional benefits or levels of coverage
63 offered under the plan. The commission shall allot to each public
64 library a sufficient amount of those funds appropriated to pay the
65 costs of insurance for eligible employees. Any funds so
66 appropriated by line item which are not expended during the fiscal
67 year for which such funds were appropriated shall be carried
68 forward for the same purposes during the next succeeding fiscal
69 year. If any premiums for the health insurance and/or late



70 charges and interest penalties are not paid by a public library in
71 a timely manner, as defined by the board, the Mississippi Library
72 Commission, upon notice by the board, shall immediately withhold
73 all subsequent disbursements of funds to that public library.

74 (3) The state shall annually provide one hundred percent
75 (100%) of the cost of the health insurance plan, or any lesser
76 percentage of the cost that is not assessed to the employees by
77 the board, for public school district employees who work no less
78 than twenty (20) hours during each week and regular nonstudent
79 school bus drivers, if such employees and school bus drivers were
80 initially employed before January 1, 2006. For such employees and
81 school bus drivers initially employed on or after January 1, 2006,
82 the state shall provide one hundred percent (100%) of the cost of
83 a basic level of health insurance under the State and School
84 Employees Health Insurance Plan, or any lesser percentage of the
85 cost that is not assessed to the employees by the board, and the
86 employees may pay additional amounts to purchase additional
87 benefits or levels of coverage offered under the plan. Where
88 federal funding is allowable to defray, in full or in part, the
89 cost of participation in the program by district employees who
90 work no less than twenty (20) hours during the week and regular
91 nonstudent bus drivers, whose salaries are paid, in full or in
92 part, by federal funds, the allowance under this section shall be
93 reduced to the extent of such federal funding. Where the use of
94 federal funds is allowable but not available, it is the intent of



95 the Legislature that school districts contribute the cost of
96 participation for such employees from local funds, except that
97 parent fees for child nutrition programs shall not be increased to
98 cover such cost.

99 (4) The state shall provide annually, by line item in the
100 community/junior college appropriation bill, such funds to pay one
101 hundred percent (100%) of the cost of the health insurance plan,
102 or any lesser percentage of the cost that is not assessed to the
103 employees by the board, for community/junior college district
104 employees initially employed before January 1, 2006, who work no
105 less than twenty (20) hours during each week. For such employees
106 initially employed on or after January 1, 2006, the state shall
107 provide one hundred percent (100%) of the cost of a basic level of
108 health insurance under the State and School Employees Health
109 Insurance Plan, or any lesser percentage of the cost that is not
110 assessed to the employees by the board, and the employees may pay
111 additional amounts to purchase additional benefits or levels of
112 coverage offered under the plan.

113 (5) When the use of federal funding is allowable to defray,
114 in full or in part, the cost of participation in the insurance
115 plan by community/junior college district employees who work no
116 less than twenty (20) hours during each week, whose salaries are
117 paid, in full or in part, by federal funds, the allowance under
118 this section shall be reduced to the extent of the federal
119 funding. Where the use of federal funds is allowable but not



120 available, it is the intent of the Legislature that
121 community/junior college districts contribute the cost of
122 participation for such employees from local funds.

123 (6) Any community/junior college district may contribute to
124 the cost of coverage for any district employee from local
125 community/junior college district funds, and any public school
126 district may contribute to the cost of coverage for any district
127 employee from nonminimum program funds. Any part of the cost of
128 such coverage for participating employees of public school
129 districts and public community/junior college districts that is
130 not paid by the state shall be paid by the participating
131 employees, which shall be deducted from the salaries of the
132 employees in a manner determined by the board.

133 (7) Any funds appropriated for the cost of insurance by line
134 item in the community/junior colleges appropriation bill which are
135 not expended during the fiscal year for which such funds were
136 appropriated shall be carried forward for the same purposes during
137 the next succeeding fiscal year.

138 (8) The board may establish and enforce late charges and
139 interest penalties or other penalties for the purpose of requiring
140 the prompt payment of all premiums for life and health insurance
141 permitted under this chapter. All funds in excess of the amount
142 needed for disbursement of claims shall be deposited in a special
143 fund in the State Treasury to be known as the State and School
144 Employees Insurance Fund. The State Treasurer shall invest all



145 funds in the State and School Employees Insurance Fund and all
146 interest earned shall be credited to the State and School
147 Employees Insurance Fund. Such funds shall be placed with one or
148 more depositories of the state and invested on the first day such
149 funds are available for investment in certificates of deposit,
150 repurchase agreements or in United States Treasury bills or as
151 otherwise authorized by law for the investment of Public
152 Employees' Retirement System funds, as long as such investment is
153 made from competitive offering and at the highest and best market
154 rate obtainable consistent with any available investment
155 alternatives; however, such investments shall not be made in
156 shares of stock, common or preferred, or in any other investments
157 which would mature more than one (1) year from the date of
158 investment. The board shall have the authority to draw from this
159 fund periodically such funds as are necessary to operate the
160 self-insurance plan or to pay to the insurance carrier the cost of
161 operation of this plan, it being the purpose to limit the amount
162 of participation by the state to fifty percent (50%) of the cost
163 of the life insurance program and not to limit the contracting for
164 additional benefits where the cost will be paid in full by the
165 employee. The state shall not share in the cost of coverage for
166 retired employees.

167 (9) The board shall also provide for the creation of an
168 Insurance Reserve Fund and funds therein shall be invested by the



169 State Treasurer with all interest earned credited to the State and
170 School Employees Insurance Fund.

171 (10) Any retired employee electing to purchase retired life
172 and health insurance will have the full cost of such insurance
173 deducted monthly from his State of Mississippi retirement plan
174 check or direct billed for the cost of the premium if the
175 retirement check is insufficient to pay for the premium. If the
176 board determines actuarially that the premium paid by the
177 participating retirees adversely affects the overall cost of the
178 plan to the state, then the board may impose a premium surcharge,
179 not to exceed fifteen percent (15%), upon such participating
180 retired employees who are under the age for Medicare eligibility
181 and who were initially employed before January 1, 2006. For
182 participating retired employees who are under the age for Medicare
183 eligibility and who were initially employed on or after January 1,
184 2006, the board may impose a premium surcharge in an amount the
185 board determines actuarially to cover the full cost of insurance.

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

187 **SECTION 2.** This act shall take effect and be in force from
188 and after July 1, 2024.

