

Adopted	Rejected
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# COMMITTEE REPORT

<b>YES:</b>	<b>17</b>
<b>NO:</b>	<b>8</b>

**MR. SPEAKER:**

*Your Committee on Ways and Means, to which was referred House Bill 1302, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1           Page 1, between the enacting clause and line 1, begin a new
- 2           paragraph and insert:
- 3           "SECTION 1. IC 5-10-8-2.6 IS AMENDED TO READ AS
- 4           FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.6. (a) This
- 5           section applies only to local unit public employers and their employees.
- 6           This section does not apply to public safety employees, surviving
- 7           spouses, and dependents covered by section 2.2 of this chapter.
- 8           (b) A public employer may provide programs of group insurance for
- 9           its employees and retired employees. The public employer may,
- 10          however, exclude part-time employees and persons who provide
- 11          services to the unit under contract from any group insurance coverage
- 12          that the public employer provides to the employer's full-time
- 13          employees. A public employer may provide programs of group
- 14          insurance under this section through either or both of the following

1 methods:

2 (1) By purchasing policies of group insurance.

3 (2) By establishing self-insurance programs.

4 However, the establishment of a self-insurance program is subject to  
5 the approval of the unit's fiscal body.

6 (c) A public employer may pay a part of the cost of group insurance,  
7 but shall pay a part of the cost of group life insurance for local  
8 employees. A public employer may pay, as supplemental wages, an  
9 amount equal to the deductible portion of group health insurance as  
10 long as payment of the supplemental wages will not result in the  
11 payment of the total cost of the insurance by the public employer.

12 (d) An insurance contract for local employees under this section  
13 may not be canceled by the public employer during the policy term of  
14 the contract.

15 (e) After June 30, 1986, a public employer shall provide a group  
16 health insurance program under subsection (g) to each retired  
17 employee:

18 (1) whose retirement date is:

19 (A) after May 31, 1986, for a retired employee who was a  
20 teacher (as defined in IC 20-6.1-1-8) for a school corporation;

21 or

22 (B) after June 30, 1986, for a retired employee not covered by  
23 clause (A);

24 (2) who will have reached fifty-five (55) years of age on or before  
25 the employee's retirement date but who will not be eligible on that  
26 date for Medicare coverage as prescribed by 42 U.S.C. 1395 et  
27 seq.;

28 (3) who will have completed twenty (20) years of creditable  
29 employment with a public employer on or before the employee's  
30 retirement date, ten (10) years of which must have been  
31 completed immediately preceding the retirement date; and

32 (4) who will have completed at least fifteen (15) years of  
33 participation in the retirement plan of which the employee is a  
34 member on or before the employee's retirement date.

35 (f) A group health insurance program required by subsection (e)  
36 must be equal in coverage to that offered active employees and must  
37 permit the retired employee to participate if the retired employee pays  
38 an amount equal to the total of the employer's and the employee's

1 premiums for the group health insurance for an active employee and if  
 2 the employee, within ninety (90) days after the employee's retirement  
 3 date files a written request with the employer for insurance coverage.  
 4 However, the employer may elect to pay any part of the retired  
 5 employee's premiums.

6 (g) A retired employee's eligibility to continue insurance under  
 7 subsection (e) ends when the employee becomes eligible for Medicare  
 8 coverage as prescribed by 42 U.S.C. 1395 et seq., or when the  
 9 employer terminates the health insurance program. A retired employee  
 10 who is eligible for insurance coverage under subsection (e) may elect  
 11 to have the employee's spouse covered under the health insurance  
 12 program at the time the employee retires. If a retired employee's spouse  
 13 pays the amount the retired employee would have been required to pay  
 14 for coverage selected by the spouse, the spouse's subsequent eligibility  
 15 to continue insurance under this section is not affected by the death of  
 16 the retired employee. The surviving spouse's eligibility ends on the  
 17 earliest of the following:

- 18 (1) When the spouse becomes eligible for Medicare coverage as
- 19 prescribed by 42 U.S.C. 1395 et seq.
- 20 (2) When the employer terminates the health insurance program.
- 21 ~~(3) Two (2) years after the date of the employee's death.~~
- 22 ~~(4) (3) The date of the spouse's remarriage.~~

23 (h) This subsection does not apply to an employee who is entitled  
 24 to group insurance coverage under IC 20-6.1-6-1(c). An employee who  
 25 is on leave without pay is entitled to participate for ninety (90) days in  
 26 any group health insurance program maintained by the public employer  
 27 for active employees if the employee pays an amount equal to the total  
 28 of the employer's and the employee's premiums for the insurance.  
 29 However, the employer may pay all or part of the employer's premium  
 30 for the insurance.

31 (i) A public employer may provide group health insurance for  
 32 retired employees or their spouses not covered by subsections (e)  
 33 through (g) and may provide group health insurance that contains  
 34 provisions more favorable to retired employees and their spouses than  
 35 required by subsections (e) through (g). A public employer may  
 36 provide group health insurance to an employee who is on leave without  
 37 pay for a longer period than required by subsection (h), and may  
 38 continue to pay all or a part of the employer's premium for the

- 1 insurance while the employee is on leave without pay."
- 2 Page 4, line 15, strike "five (5)" and insert "**three (3)**".
- 3 Page 4, line 17, strike "five (5)" and insert "**three (3)**".
- 4 Page 4, line 19, strike "five (5)" and insert "**three (3)**".
- 5 Page 5, between lines 14 and 15, begin a new paragraph and insert:
- 6 "SECTION 4. IC 5-10.2-4-4, AS AMENDED BY P.L.195-1999,
- 7 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 8 JULY 1, 2000]: Sec. 4. (a) The computation of benefits under this
- 9 section is subject to IC 5-10.2-2-1.5.
- 10 (b) For retirement benefits payable on and after July 1, 1975, for a
- 11 member retired on and after January 1, 1956, the pension (p) is
- 12 computed as follows:
- 13 STEP ONE: Multiply one and one-tenths percent (1.1%), **for a**
- 14 **member of the public employees' retirement fund, or one and**
- 15 **three-tenths percent (1.3%), for a member of the Indiana**
- 16 **state teachers' retirement fund**, times the average of the annual
- 17 compensation (aac) and obtain a product.
- 18 STEP TWO: To obtain the pension, multiply the STEP ONE
- 19 product by the total creditable service (scr) completed by the
- 20 member on his retirement date.
- 21 Expressed mathematically:
- 22  $p = (.011)$ , **for a member of the public employees' retirement**
- 23 **fund, or (0.013), for a member of the Indiana state teachers'**
- 24 **retirement fund**, times (aac) times (scr)
- 25 (c) Unless the member has chosen a lump sum payment under
- 26 section 2 of this chapter or elects to defer receiving in any form the
- 27 member's annuity savings account under section 2 (c) of this chapter,
- 28 the annuity is the amount purchasable on the member's retirement date
- 29 by the amount credited to the member in the annuity savings account.
- 30 The amount purchasable is based on actuarial tables adopted by the
- 31 board under IC 5-10.2-2-10 at an interest rate determined by the
- 32 board."
- 33 Page 7, between lines 33 and 34, begin a new paragraph and insert:
- 34 "SECTION 6. [EFFECTIVE JULY 1, 2000] **IC 5-10.2-4-4, as**

1       **amended by this act, applies only to benefits paid after June 30,**  
2       **2000."**

3       Renumber all SECTIONS consecutively.  
      (Reference is to HB 1302 as introduced.)

**and when so amended that said bill do pass.**

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Representative Bauer