

# SENATE BILL No. 290

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 5-10-8-2.6.

**Synopsis:** Group insurance for township employees. Provides that a township may elect to provide coverage for township employees under a group insurance program offered to county employees by the county in which the township is located. Specifies that a township employee covered under a county group insurance program must pay the same premium as a county employee, and the township must pay the employer's share of the premium unless the county chooses to pay the employer's share of the premium for the township employee.

**Effective:** January 1, 2002.

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January 11, 2001, read first time and referred to Committee on Governmental and Regulatory Affairs.

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First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

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# SENATE BILL No. 290



A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 5-10-8-2.6 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 2.6. (a) This  
3 section applies only to local unit public employers and their employees.  
4 This section does not apply to public safety employees, surviving  
5 spouses, and dependents covered by section 2.2 of this chapter.  
6 (b) A public employer may provide programs of group insurance for  
7 its employees and retired employees. The public employer may,  
8 however, exclude part-time employees and persons who provide  
9 services to the unit under contract from any group insurance coverage  
10 that the public employer provides to the employer's full-time  
11 employees. A public employer may provide programs of group  
12 insurance under this section through ~~either or both~~ **any** of the following  
13 methods:  
14 (1) By purchasing policies of group insurance.  
15 (2) By establishing self-insurance programs.  
16 **(3) If the public employer is a township, by electing to join a**  
17 **group insurance program offered to county employees by the**



1           **county in which the township is located.**

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

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

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

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

16           (1) whose retirement date is:

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

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

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

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

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

33          (f) A group health insurance program required by subsection (e)  
34          must be equal in coverage to that offered active employees and must  
35          permit the retired employee to participate if the retired employee pays  
36          an amount equal to the total of the employer's and the employee's  
37          premiums for the group health insurance for an active employee and if  
38          the employee, within ninety (90) days after the employee's retirement  
39          date files a written request with the employer for insurance coverage.  
40          However, the employer may elect to pay any part of the retired  
41          employee's premiums.

42          (g) A retired employee's eligibility to continue insurance under

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

- 12 (1) When the spouse becomes eligible for Medicare coverage as
- 13 prescribed by 42 U.S.C. 1395 et seq.
- 14 (2) When the employer terminates the health insurance program.
- 15 (3) Two (2) years after the date of the employee's death.
- 16 (4) The date of the spouse's remarriage.

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

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

34 **(j) If a township elects to join a county group insurance**  
 35 **program under subsection (b)(3):**

- 36 **(1) township employees shall pay the same insurance premium**
- 37 **that is paid by county employees; and**
- 38 **(2) the township shall pay the public employer's share of the**
- 39 **premium for the township employees, in the same amount**
- 40 **that the county pays for county employees. However, the**
- 41 **county may elect to pay the public employer's share of the**
- 42 **premium for the township employees.**



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