

HOUSE BILL No. 1481

DIGEST OF INTRODUCED BILL

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

Synopsis: Health insurance for retired state employees. Provides that a state employee who retires after June 30, 2005: (1) may obtain state employee health insurance coverage equal to the coverage offered to active state employees if the retired state employee pays the employee's share of the premium; and (2) remains eligible for coverage when the employee is eligible for Medicare.

Effective: July 1, 2005.

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January 18, 2005, read first time and referred to Committee on Employment and Labor.

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First Regular Session 114th General Assembly (2005)

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 2004 Regular Session of the General Assembly.

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HOUSE BILL No. 1481



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 5-10-8-8 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) This section applies only to
3 the state and employees who are not covered by a plan established
4 under section 6 of this chapter.
5 (b) After June 30, 1986, the state shall provide a group health
6 insurance plan to each retired employee:
7 (1) whose retirement date is:
8 (A) after June 29, 1986, for a retired employee who was a
9 member of the field examiners' retirement fund;
10 (B) after May 31, 1986, for a retired employee who was a
11 member of the Indiana state teachers' retirement fund; or
12 (C) after June 30, 1986, for a retired employee not covered by
13 clause (A) or (B);
14 (2) who will have reached fifty-five (55) years of age on or before
15 the employee's retirement date but who will not be eligible on that
16 date for Medicare coverage as prescribed by 42 U.S.C. 1395 et
17 seq.;



- 1 (3) who will have completed twenty (20) years of creditable
- 2 employment with a public employer on or before the employee's
- 3 retirement date, ten (10) years of which shall have been
- 4 completed immediately preceding the retirement; and
- 5 (4) who will have completed at least fifteen (15) years of
- 6 participation in the retirement plan of which the employee is a
- 7 member on or before the employee's retirement date.

8 (c) The state shall provide a group health insurance program to each
 9 retired employee:

- 10 (1) who is a retired judge;
- 11 (2) whose retirement date is after June 30, 1990;
- 12 (3) who is at least sixty-two (62) years of age;
- 13 (4) who is not eligible for Medicare coverage as prescribed by 42
- 14 U.S.C. 1395 et seq.; and
- 15 (5) who has at least eight (8) years of service credit as a
- 16 participant in the Indiana judges' retirement fund, with at least
- 17 eight (8) years of that service credit completed immediately
- 18 preceding the judge's retirement.

19 (d) The state shall provide a group health insurance program to each
 20 retired employee:

- 21 (1) who is a retired participant under the prosecuting attorneys
- 22 retirement fund;
- 23 (2) whose retirement date is after January 1, 1990;
- 24 (3) who is at least sixty-two (62) years of age;
- 25 (4) who is not eligible for Medicare coverage as prescribed by 42
- 26 U.S.C. 1395 et seq.; and
- 27 (5) who has at least ten (10) years of service credit as a participant
- 28 in the prosecuting attorneys retirement fund, with at least ten (10)
- 29 years of that service credit completed immediately preceding the
- 30 participant's retirement.

31 (e) The state shall make available a group health insurance program
 32 to each former member of the general assembly or surviving spouse of
 33 each former member, if the former member:

- 34 (1) is no longer a member of the general assembly;
- 35 (2) is not eligible for Medicare coverage as prescribed by 42
- 36 U.S.C. 1395 et seq. or, in the case of a surviving spouse, the
- 37 surviving spouse is not eligible for Medicare coverage as
- 38 prescribed by 42 U.S.C. 1395 et seq.; and
- 39 (3) has at least ten (10) years of service credit as a member in the
- 40 general assembly.

41 A former member or surviving spouse of a former member who obtains
 42 insurance under this section is responsible for paying both the

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1 employer and the employee share of the cost of the coverage.

2 (f) The group health insurance program required under subsections

3 (b) through (e) must be equal to that offered active employees. The

4 retired employee may participate in the group health insurance program

5 if the retired employee pays an amount equal to the:

6 (1) employer's and the employee's premium, **if the retired**

7 **employee's retirement date is before July 1, 2005; and**

8 **(2) employee's premium, if the retired employee's retirement**

9 **date is after June 30, 2005;**

10 for the group health insurance for an active employee and if the retired

11 employee within ninety (90) days after the employee's retirement date

12 files a written request for insurance coverage with the employer.

13 However, the employer may elect to pay any part of the retired

14 employee's premium with respect to insurance coverage under this

15 chapter.

16 (g) Except as provided in subsection (j), a retired employee's

17 eligibility to continue insurance under this section ends when the

18 employee becomes eligible for Medicare coverage as prescribed by 42

19 U.S.C. 1395 et seq., or when the employer terminates the health

20 insurance program. A retired employee who is eligible for insurance

21 coverage under this section may elect to have the employee's spouse

22 covered under the health insurance program at the time the employee

23 retires. If a retired employee's spouse pays the amount the retired

24 employee would have been required to pay for coverage selected by the

25 spouse, the spouse's subsequent eligibility to continue insurance under

26 this section is not affected by the death of the retired employee. The

27 surviving spouse's eligibility ends on the earliest of the following:

28 (1) When the spouse becomes eligible for Medicare coverage as

29 prescribed by 42 U.S.C. 1395 et seq.

30 (2) When the employer terminates the health insurance program.

31 (3) Two (2) years after the date of the employee's death.

32 (4) The date of the spouse's remarriage.

33 (h) This subsection does not apply to an employee who is entitled

34 to group insurance coverage under IC 20-6.1-6-1(c). An employee who

35 is on leave without pay is entitled to participate for ninety (90) days in

36 any health insurance program maintained by the employer for active

37 employees if the employee pays an amount equal to the total of the

38 employer's and the employee's premiums for the insurance.

39 (i) An employer may provide group health insurance for retired

40 employees or their spouses not covered by this section and may provide

41 group health insurance that contains provisions more favorable to

42 retired employees and their spouses than required by this section. A

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1 public employer may provide group health insurance to an employee
 2 who is on leave without pay for a longer period than required by
 3 subsection (h).
 4 (j) An employer:
 5 (1) may elect to permit former employees **whose retirement date**
 6 **is before July 1, 2005; and**
 7 **(2) shall elect to permit former employees whose retirement**
 8 **date is after June 30, 2005;**
 9 and their spouses, including surviving spouses, to ~~continue to~~
 10 participate in a group health insurance program under this chapter after
 11 the former employee (who is otherwise qualified under this chapter to
 12 participate in a group insurance program) or spouse has become
 13 eligible for Medicare coverage as prescribed by ~~42 U.S.C.A.~~ **U.S.C.**
 14 **1395 et seq.** An employer who makes an election under this section
 15 may require a person who ~~continues~~ **participates in** coverage under
 16 this subsection to participate in a retiree health benefit plan developed
 17 under section 8.3 of this chapter.

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