
HOUSE BILL No. 1739

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10-8.

Synopsis: Retired legislator health insurance. Reduces the benefits available under the retired legislator health insurance program, including: (1) removes the election by legislative employers to permit a former member (and spouse) to remain in the program after the former member (or spouse) becomes eligible for Medicare; (2) permits legislative employers to elect to pay not more than 50% of an eligible former member's (and spouse's) Medicare supplement premium; (3) repeals the requirement that the state personnel department establish two retirement health plans that were available to state employees after they became eligible for Medicare; (4) requires former legislators to pay the same percentage of health care premiums in retirement that active legislators pay for health care benefits; and (5) exempts former legislators whose last day of service is before November 8, 2006, from the benefit reductions. Repeals and replaces without change provisions concerning eligibility requirements for the spouse of a legislator who dies in office.

Effective: July 1, 2005.

Davis

January 19, 2005, read first time and referred to Committee on Rules and Legislative Procedures.

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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. 1739



A BILL FOR AN ACT to amend the Indiana Code concerning the general assembly.

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. **The**
 2 **surviving spouse of a legislator who dies in office may, at any time**
 3 **after the death of the former member, elect to participate in the**
 4 **group health insurance program under the same terms and**
 5 **conditions as the former member could have participated.**

6 (f) The group health insurance program required under subsections
 7 (b) through (e) must be equal to that offered active employees. The
 8 retired employee may participate in the group health insurance program
 9 if the retired employee pays an amount equal to the employer's and the
 10 employee's premium for the group health insurance for an active
 11 employee and if the retired employee within ninety (90) days after the
 12 employee's retirement date files a written request for insurance
 13 coverage with the employer. **However, Except as provided by section**
 14 **8.2(l) and 8.2(m) of this chapter,** the employer may elect to pay any
 15 part of the retired employee's premium with respect to insurance
 16 coverage under this chapter.

17 (g) **Except as provided in subsection (j);** A retired employee's
 18 eligibility to continue insurance under this section ends when the
 19 employee becomes eligible for Medicare coverage as prescribed by 42
 20 U.S.C. 1395 et seq., or when the employer terminates the health
 21 insurance program. A retired employee who is eligible for insurance
 22 coverage under this section may elect to have the employee's spouse
 23 covered under the health insurance program at the time the employee
 24 retires. If a retired employee's spouse pays the amount the retired
 25 employee would have been required to pay for coverage selected by the
 26 spouse, the spouse's subsequent eligibility to continue insurance under
 27 this section is not affected by the death of the retired employee. The
 28 surviving spouse's eligibility ends on the earliest of the following:

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

34 (h) This subsection does not apply to an employee who is entitled
 35 to group insurance coverage under IC 20-6.1-6-1(c). An employee who
 36 is on leave without pay is entitled to participate for ninety (90) days in
 37 any health insurance program maintained by the employer for active
 38 employees if the employee pays an amount equal to the total of the
 39 employer's and the employee's premiums for the insurance.

40 (i) An employer may provide group health insurance for retired
 41 employees or their spouses not covered by this section and may provide
 42 group health insurance that contains provisions more favorable to

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1 retired employees and their spouses than required by this section. A
 2 public employer may provide group health insurance to an employee
 3 who is on leave without pay for a longer period than required by
 4 subsection (h).

5 (j) An employer may elect to permit former employees and their
 6 spouses, including surviving spouses, to continue to participate in a
 7 group health insurance program under this chapter after the former
 8 employee (who is otherwise qualified under this chapter to participate
 9 in a group insurance program) or spouse has become eligible for
 10 Medicare coverage as prescribed by 42 U.S.C.A. 1395 et seq. An
 11 employer who makes an election under this section may require a
 12 person who continues coverage under this subsection to participate in
 13 a retiree health benefit plan developed under section 8.3 of this chapter.

14 SECTION 2. IC 5-10-8-8.2 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8.2. (a) As used in this
 16 section, "former legislator" means a former member of the general
 17 assembly.

18 (b) As used in this section, "dependent" means an unmarried person
 19 who:

20 (1) is:

21 (A) a dependent child, stepchild, foster child, or adopted child
 22 of a former legislator or spouse of a former legislator; or

23 (B) a child who resides in the home of a former legislator or
 24 spouse of a former legislator who has been appointed legal
 25 guardian for the child; and

26 (2) is:

27 (A) less than twenty-three (23) years of age;

28 (B) at least twenty-three (23) years of age, incapable of
 29 self-sustaining employment by reason of mental or physical
 30 disability, and is chiefly dependent on a former legislator or

31 spouse of a former legislator for support and maintenance; or
 32 (C) at least twenty-three (23) years of age and less than
 33 twenty-five (25) years of age and is enrolled in and is a
 34 full-time student at an accredited college or university.

35 (c) As used in this section, "spouse" means a person who is or was
 36 married to a former legislator.

37 (d) After June 30, 2001, the state shall provide to a former
 38 legislator:

39 (1) whose last day of service as a member of the general assembly
 40 was after December 31, 2000;

41 (2) who served in all or part of at least four (4) terms of the
 42 general assembly (as defined in IC 2-2.1-1-1);

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1 (3) who pays an amount equal to the employee's and employer's
 2 premium for the group health insurance for an active employee;
 3 and
 4 (4) who files a written request for insurance coverage with the
 5 employer within ninety (90) days after the former legislator's:
 6 (A) last day of service as a member of the general assembly;
 7 or
 8 (B) retirement date;
 9 a group health insurance program that is equal to that offered to active
 10 employees.
 11 (e) ~~Except as provided by section 8(j) of this chapter,~~ The eligibility
 12 of a former legislator to continue insurance under this section ends
 13 when the former legislator becomes eligible for Medicare coverage as
 14 prescribed by ~~42 U.S.C.A.~~ U.S.C. 1395 et seq. or when the employer
 15 terminates the health insurance program.
 16 (f) A former legislator who is eligible for insurance coverage under
 17 this section may elect to have a spouse or dependent of the former
 18 legislator covered under the health insurance program. A former
 19 legislator who makes an election under this subsection must pay the
 20 employee's and employer's premium for the group health insurance
 21 program for an active employee that is attributable to the inclusion of
 22 a spouse or dependent.
 23 (g) A spouse or dependent may continue insurance under this
 24 section after the death of the former legislator if the spouse or
 25 dependent pays the amount the former legislator would have been
 26 required to pay for coverage selected by the spouse or dependent.
 27 (h) ~~Except as provided under section 8(j) of this chapter,~~ The
 28 eligibility of a spouse to continue insurance under this section ends on
 29 the earliest of the following:
 30 (1) When the employer terminates the health insurance program.
 31 (2) The date of the legislative spouse's remarriage.
 32 (3) When the required amount for coverage is not paid with
 33 respect to the spouse.
 34 (4) When the spouse becomes eligible for Medicare coverage as
 35 prescribed by ~~42 U.S.C.A.~~ U.S.C. 1395 et seq.
 36 (i) The eligibility of a dependent to continue insurance under this
 37 section ends on the earliest of the following:
 38 (1) When the employer terminates the health insurance program.
 39 (2) The date the dependent no longer meets the definition of a
 40 dependent.
 41 (3) When the required amount for coverage is not paid with
 42 respect to the dependent.

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1 (j) The spouse of a deceased former legislator may elect to
2 participate in the group health insurance program under this section if
3 all of the following apply:

- 4 (1) The deceased legislator:
 - 5 (A) died after December 31, 2000, while serving as a member
 - 6 of the general assembly; and
 - 7 (B) served in all or part of at least four (4) terms of the general
 - 8 assembly (as defined in IC 2-2.1-1-1).
- 9 (2) The surviving spouse files a written request for insurance
- 10 coverage with the employer.
- 11 (3) The surviving spouse pays an amount equal to the employee's
- 12 and employer's premium for the group health insurance for an
- 13 active employee, including any amount with respect to covered
- 14 dependents of the former legislator.

15 (k) ~~Except as provided under section 8(j) of this chapter,~~ The
16 eligibility of the surviving spouse under subsection (j) ends on the
17 earliest of the following:

- 18 (1) When the employer terminates the health insurance program.
- 19 (2) The date of the spouse's remarriage.
- 20 (3) When the required amount for coverage is not paid with
- 21 respect to the spouse and any covered dependent.
- 22 (4) When the surviving spouse becomes eligible for Medicare
- 23 coverage as prescribed by ~~42 U.S.C.A.~~ U.S.C. 1395 et seq.

24 **(l) This subsection applies to a former legislator or the spouse of**
25 **a former legislator who is not eligible for Medicare coverage. The**
26 **employer may elect to pay a part of the premium of a former**
27 **legislator (or the spouse of a former legislator) whose last day of**
28 **service in the general assembly is after November 7, 2006, and who**
29 **otherwise qualifies under subsection (d). The part that the**
30 **employer may elect to pay under this subsection may not exceed**
31 **the employer's share of the premium for the group health**
32 **insurance for an active member of the general assembly.**

33 **(m) This subsection applies to a former legislator or the spouse**
34 **of a former legislator who is eligible for Medicare coverage. An**
35 **employer may elect to pay up to fifty percent (50%) of the**
36 **Medicare supplement premium of a former legislator (or the**
37 **spouse of a former legislator) whose last day of service in the**
38 **general assembly is after November 7, 2006, and who otherwise**
39 **qualifies to participate in the group health insurance program**
40 **under subsection (d).**

41 SECTION 3. IC 5-10-8-8.5 IS ADDED TO THE INDIANA CODE
42 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY

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1 1, 2005]: **Sec. 8.5. Notwithstanding any law, an election made by the**
 2 **speaker of the house of representatives or the president pro**
 3 **tempore of the senate under IC 5-10-8-8 (before its amendment in**
 4 **2005) or IC 5-10-8-8.2 (before its amendment in 2005) shall**
 5 **continue in effect with respect to:**
 6 **(1) former members of the general assembly:**
 7 **(A) whose last day of service in the general assembly is:**
 8 **(i) after December 31, 2000; and**
 9 **(ii) not later than November 7, 2006; and**
 10 **(B) who otherwise qualify under IC 5-10-8 to participate in**
 11 **a health plan in retirement; and**
 12 **(2) the spouses of the former members described in**
 13 **subdivision (1);**
 14 **until that election is amended or revoked by the general assembly.**
 15 SECTION 4. THE FOLLOWING ARE REPEALED [EFFECTIVE
 16 JULY 1, 2005]: IC 5-10-8-8.1; IC 5-10-8-8.3.

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