

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7874

BILL NUMBER: HB 1760

NOTE PREPARED: Jan 20, 2007

BILL AMENDED:

SUBJECT: Retired Legislator Health Care Benefits.

FIRST AUTHOR: Rep. Bosma

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that, for a member of the House of Representatives whose last day of service is after June 30, 2007, the Speaker of the House of Representatives may not elect to pay any part of the health insurance premium of the former member or the spouse or dependent of the former member.

Effective Date: July 1, 2007.

Explanation of State Expenditures: The state currently pays a share of the health insurance premium for former state legislators (or surviving spouses) who have served in all or part of at least four terms of the General Assembly and who choose to participate in the state employee group health insurance program. The amount paid by the state is the same percentage employer share of the premium paid for active state employees as existed at the time of the legislator's retirement. This bill eliminates the authority of the House of Representatives as employer to pay for any part of the health insurance premiums of former Representatives and spouses who have not retired from legislative service by July 1, 2007. Former House members who have already retired from legislative service and are participating in the health insurance program will be unaffected. With the exception of any Senate retirements occurring between July 1 and July 31, 2007, with respect to the current pool of former legislators and the treatment of future retiring legislators, these provisions are consistent with the current elections of the House and will have no additional fiscal impact other than prohibiting any future elections that might have otherwise differed from the provisions of this bill.

Current statute permits former legislators to qualify for the group health insurance program after serving in all or part of at least four terms of the General Assembly. This provision will continue, but future retiring

House members will be required to pay 100% of both the employee and employer shares of the premium costs.

Background Information: The annual premiums for health benefit coverage currently range from \$4,204 to \$5,470 for single coverage and \$11,561 to \$15,042 for family coverage (2007 rates). Currently, the employer share of premiums for active employees for the five health plans ranges from 76.9% to 100% for both single and family coverage.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: General Assembly.

Local Agencies Affected:

Information Sources:

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