

HOUSE BILL No. 1081

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10-8.

Synopsis: State police retiree health insurance. Provides that the state police department must pay the premiums for health insurance coverage for each retired police employee and each retired civilian employee of the state police department who is participating in the state police department's insurance plan. Establishes the state police retiree health insurance fund to pay for the insurance coverage for retired employees. Requires each active state police department employee to pay a percentage of the employee's salary into the fund. Requires each retired state police department employee participating in the insurance plan to contribute each month an amount equal to 1% of the retired employee's monthly pension benefit.

Effective: July 1, 1999.

Kromkowski

January 6, 1999, read first time and referred to Committee on Ways and Means.

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First Regular Session 111th General Assembly (1999)

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 1998 General Assembly.

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HOUSE BILL No. 1081



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 5-10-8-6 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 1999]: Sec. 6. (a) The state police department,
3 conservation officers of the department of natural resources, and the
4 state excise police may establish common and unified plans of
5 self-insurance for their employees, including retired employees, as
6 separate entities of state government. These plans may be administered
7 by a private agency, business firm, limited liability company, or
8 corporation.

9 (b) ~~The state agencies listed in subsection (a)~~ **conservation officers**
10 **of the department of natural resources and the state excise police**
11 may not pay as the employer portion of benefits for any employee or
12 retiree an amount greater than that paid for other state employees for
13 group insurance.

14 SECTION 2. IC 5-10-8-6.2 IS ADDED TO THE INDIANA CODE
15 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY
16 1, 1999]: **Sec. 6.2. (a) The plan of self-insurance established by the**
17 **state police department under section 6 of this chapter must**



1 provide health care coverage to each retired police employee and
 2 each retired civilian employee of the state police department who:

3 (1) is receiving retirement benefits;

4 (2) either:

5 (A) is participating in the state police department's
 6 self-insurance plan on June 30, 1999; or

7 (B) retires after March 31, 1999, and elects, not more than
 8 ninety (90) days after the employee's retirement date, to
 9 participate in the state police department's self-insurance
 10 plan; and

11 (3) makes the contribution required by subsection (f).

12 (b) Except as otherwise provided in this section, the health care
 13 coverage provided to retired employees under this section shall be
 14 equivalent to the health care coverage provided under the
 15 self-insurance plan to active employees of the state police
 16 department.

17 (c) The state police department shall pay for the employer's
 18 share of the premium for health care coverage provided to retired
 19 employees under this section and, except for the contribution
 20 required under subsection (f), the state police department shall also
 21 pay the retired employee's share of the premium.

22 (d) A retired employee who is eligible for health insurance
 23 coverage under this section may elect to have the retired
 24 employee's spouse and eligible dependents covered under the
 25 health insurance. However, the retired employee must pay the
 26 premiums established by the self-insurance plan for coverage of the
 27 retired employee's spouse and eligible dependents.

28 (e) In addition to any amounts contributed under IC 10-1-2.2-4
 29 or IC 10-1-2.3-4 to the state police pension trust fund, each active
 30 police employee and active civilian employee of the state police
 31 department shall contribute to the state police retiree health
 32 insurance fund established under section 6.4 of this chapter, by
 33 monthly deduction, the following percentages of the employee's
 34 wages (excluding payments for overtime and determined without
 35 regard to any salary reduction agreement established under
 36 Section 125 of the Internal Revenue Code):

37 (1) An employee who has been employed for less than six (6)
 38 years shall contribute one and twenty-five hundredths percent
 39 (1.25%) of the employee's wages.

40 (2) An employee who has been employed for at least six (6)
 41 years but less than eleven (11) years shall contribute one and
 42 five-tenths percent (1.5%) of the employee's wages.



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1 **(3) An employee who has been employed for at least eleven**
 2 **(11) years but less than sixteen (16) years shall contribute one**
 3 **and seventy-five hundredths percent (1.75%) of the**
 4 **employee's wages.**

5 **(4) An employee who has been employed for at least sixteen**
 6 **(16) years but less than twenty-one (21) years shall contribute**
 7 **two and twenty-five hundredths percent (2.25%) of the**
 8 **employee's wages.**

9 **(5) An employee who has been employed for at least**
 10 **twenty-one (21) years shall contribute two and five-tenths**
 11 **percent (2.5%) of the employee's wages.**

12 **However, if the employee does not elect to participate in the state**
 13 **police department's self-insurance plan after the employee begins**
 14 **receiving retirement benefits, the employee is entitled to a refund**
 15 **of the contributions made by the employee under this section.**

16 **(f) A retired employee who is participating in the self-insurance**
 17 **plan under this section must contribute each month an amount**
 18 **equal to one percent (1%) of the retired employee's monthly**
 19 **pension benefit that is paid for service with the state police**
 20 **department.**

21 **SECTION 3. IC 5-10-8-6.4 IS ADDED TO THE INDIANA CODE**
 22 **AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**
 23 **1, 1999]: Sec. 6.4. (a) The state police retiree health insurance fund**
 24 **is established. Money in the fund shall be used by the state police**
 25 **department to pay for the costs of funding health insurance**
 26 **coverage provided to retired police employees and retired civilian**
 27 **employees of the state police department under section 6.2 of this**
 28 **chapter.**

29 **(b) The fund shall be administered by the state police**
 30 **department.**

31 **(c) The fund consists of the following:**

32 **(1) Amounts contributed by active employees of the state**
 33 **police department under section 6.2(e) of this chapter.**

34 **(2) Amounts contributed by retired employees of the state**
 35 **police department under section 6.2(f) of this chapter.**

36 **(3) Interest earned on money in the fund.**

37 **(4) Amounts appropriated by the general assembly.**

38 **(d) The treasurer of state shall invest the money in the fund not**
 39 **currently needed to meet the obligations of the fund in the same**
 40 **manner as other public funds may be invested.**

41 **(e) Money in the fund at the end of a state fiscal year does not**
 42 **revert to the state general fund.**



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