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# HOUSE BILL No. 1724

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## DIGEST OF INTRODUCED BILL

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

**Synopsis:** Legislator health insurance. Removes the statutory authority of the speaker of the house of representatives and the president pro tempore of the senate to elect to pay any part of the health insurance premium of a former legislator after November 30, 2008. Provides that health insurance plans for former legislators enacted in 1988 and 2001 expire on November 30, 2008. Permits a former legislator or a spouse of a former legislator to continue in the group health insurance program after November 30, 2008, if the former legislator or spouse pays the entire premium charged for the group health insurance program.

**Effective:** July 1, 2007.

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January 26, 2007, read first time and referred to Committee on Rules and Legislative Procedures.

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First Regular Session 115th General Assembly (2007)

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 2006 Regular Session of the General Assembly.

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# HOUSE BILL No. 1724



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, AS AMENDED BY P.L.178-2006,
- 2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2007]: Sec. 8. (a) This section applies only to the state and
- 4 employees who are not covered by a plan established under section 6
- 5 of this chapter.
- 6 (b) After June 30, 1986, the state shall provide a group health
- 7 insurance plan to each retired employee:
- 8 (1) whose retirement date is:
- 9 (A) after June 29, 1986, for a retired employee who was a
- 10 member of the field examiners' retirement fund;
- 11 (B) after May 31, 1986, for a retired employee who was a
- 12 member of the Indiana state teachers' retirement fund; or
- 13 (C) after June 30, 1986, for a retired employee not covered by
- 14 clause (A) or (B);
- 15 (2) who will have reached fifty-five (55) years of age on or before
- 16 the employee's retirement date but who will not be eligible on that
- 17 date for Medicare coverage as prescribed by 42 U.S.C. 1395 et



1 seq.; and  
 2 (3) who:  
 3 (A) for an employee who retires before January 1, 2007, will  
 4 have completed:  
 5 (i) twenty (20) years of creditable employment with a public  
 6 employer on or before the employee's retirement date, ten  
 7 (10) years of which shall have been completed immediately  
 8 preceding the retirement; and  
 9 (ii) at least fifteen (15) years of participation in the  
 10 retirement plan of which the employee is a member on or  
 11 before the employee's retirement date; or  
 12 (B) for an employee who retires after December 31, 2006, will  
 13 have completed fifteen (15) years of creditable employment  
 14 with a public employer on or before the employee's retirement  
 15 date, ten (10) years of which shall have been completed  
 16 immediately preceding the retirement.  
 17 (c) The state shall provide a group health insurance program to each  
 18 retired employee:  
 19 (1) who is a retired judge;  
 20 (2) whose retirement date is after June 30, 1990;  
 21 (3) who is at least sixty-two (62) years of age;  
 22 (4) who is not eligible for Medicare coverage as prescribed by 42  
 23 U.S.C. 1395 et seq.; and  
 24 (5) who has at least eight (8) years of service credit as a  
 25 participant in the Indiana judges' retirement fund, with at least  
 26 eight (8) years of that service credit completed immediately  
 27 preceding the judge's retirement.  
 28 (d) The state shall provide a group health insurance program to each  
 29 retired employee:  
 30 (1) who is a retired participant under the prosecuting attorneys  
 31 retirement fund;  
 32 (2) whose retirement date is after January 1, 1990;  
 33 (3) who is at least sixty-two (62) years of age;  
 34 (4) who is not eligible for Medicare coverage as prescribed by 42  
 35 U.S.C. 1395 et seq.; and  
 36 (5) who has at least ten (10) years of service credit as a participant  
 37 in the prosecuting attorneys retirement fund, with at least ten (10)  
 38 years of that service credit completed immediately preceding the  
 39 participant's retirement.  
 40 (e) The state shall make available a group health insurance program  
 41 to each former member of the general assembly or surviving spouse of  
 42 each former member, if the former member:

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

8 A former member or surviving spouse of a former member who obtains  
 9 insurance under this section is responsible for paying both the  
 10 employer and the employee share of the cost of the coverage.

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

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

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

39 (h) This subsection does not apply to an employee who is entitled  
 40 to group insurance coverage under IC 20-28-10-2(b). An employee  
 41 who is on leave without pay is entitled to participate for ninety (90)  
 42 days in any health insurance program maintained by the employer for

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1 active employees if the employee pays an amount equal to the total of  
2 the employer's and the employee's premiums for the insurance.

3 (i) An employer may provide group health insurance for retired  
4 employees or their spouses not covered by this section and may provide  
5 group health insurance that contains provisions more favorable to  
6 retired employees and their spouses than required by this section. A  
7 public employer may provide group health insurance to an employee  
8 who is on leave without pay for a longer period than required by  
9 subsection (h).

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

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

21 (1) who was employed as a teacher in a state institution under:

22 (A) IC 11-10-5;

23 (B) IC 12-24-3;

24 (C) IC 16-33-3;

25 (D) IC 16-33-4;

26 (E) IC 20-21-2-1; or

27 (F) IC 20-22-2-1;

28 (2) who is at least fifty-five (55) years of age on or before the  
29 employee's retirement date;

30 (3) who is not eligible for Medicare coverage as prescribed by 42  
31 U.S.C. 1395 et seq.; and

32 (4) who:

33 (A) has at least fifteen (15) years of service credit as a  
34 participant in the retirement fund of which the employee is a  
35 member on or before the employee's retirement date; or

36 (B) completes at least ten (10) years of service credit as a  
37 participant in the retirement fund of which the employee is a  
38 member immediately before the employee's retirement.

39 **(l) After November 30, 2008, the speaker of the house of**  
40 **representatives and the president pro tempore of the senate may**  
41 **not elect to pay any part of the premium for insurance coverage**  
42 **under this chapter with respect to a former member of the general**

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1 **assembly or the spouse of a former member of the general**  
 2 **assembly.**

3 SECTION 2. IC 5-10-8-8.1 IS AMENDED TO READ AS  
 4 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8.1. (a) This section  
 5 applies only to the state and former legislators.

6 (b) As used in this section, "legislator" means a member of the  
 7 general assembly.

8 (c) After June 30, 1988, the state shall provide to each retired  
 9 legislator:

10 (1) whose retirement date is after June 30, 1988;

11 (2) who is not participating in a group health insurance coverage  
 12 plan:

13 (A) including Medicare coverage as prescribed by 42 U.S.C.  
 14 1395 et seq.; but

15 (B) not including a group health insurance plan provided by  
 16 the state or a health insurance plan provided under IC 27-8-10;

17 (3) who served as a legislator for at least ten (10) years; and

18 (4) who participated in a group health insurance plan provided by  
 19 the state on the legislator's retirement date;

20 a group health insurance program that is equal to that offered active  
 21 employees.

22 (d) A retired legislator who qualifies under subsection (c) may  
 23 participate in the group health insurance program if the retired  
 24 legislator:

25 (1) pays an amount equal to the employer's and employee's  
 26 premium for the group health insurance for an active employee;  
 27 and

28 (2) within ninety (90) days after the legislator's retirement date  
 29 files a written request for insurance coverage with the employer.

30 (e) Except as provided in section 8(j) of this chapter, a retired  
 31 legislator's eligibility to continue insurance under this section ends  
 32 when the member becomes eligible for Medicare coverage as  
 33 prescribed by 42 U.S.C. 1395 et seq. or when the employer terminates  
 34 the health insurance program.

35 (f) A retired legislator who is eligible for insurance coverage under  
 36 this section may elect to have the legislator's spouse covered under the  
 37 health insurance program at the time the legislator retires. If a retired  
 38 legislator's spouse pays the amount the retired legislator would have  
 39 been required to pay for coverage selected by the spouse, the spouse's  
 40 subsequent eligibility to continue insurance under this section is not  
 41 affected by the death of the retired legislator and is not affected by the  
 42 retired legislator's eligibility for Medicare. Except as provided in

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1 section 8(j) of this chapter, the spouse's eligibility ends on the earliest  
2 of the following:

- 3 (1) When the spouse becomes eligible for Medicare coverage as
- 4 prescribed by 42 U.S.C. 1395 et seq.
- 5 (2) When the employer terminates the health insurance program.
- 6 (3) The date of the spouse's remarriage.

7 (g) The surviving spouse of a legislator who dies or has died in  
8 office may elect to participate in the group health insurance program  
9 if all of the following apply:

- 10 (1) The deceased legislator would have been eligible to
- 11 participate in the group health insurance program under this
- 12 section had the legislator retired on the day of the legislator's
- 13 death.
- 14 (2) The surviving spouse files a written request for insurance
- 15 coverage with the employer.
- 16 (3) The surviving spouse pays an amount equal to the employer's
- 17 and employee's premium for the group health insurance for an
- 18 active employee.

19 (h) Except as provided in section 8(j) of this chapter, the eligibility  
20 of the surviving spouse of a legislator to purchase group health  
21 insurance under subsection (g) ends on the earliest of the following:

- 22 (1) When the employer terminates the health insurance program.
- 23 (2) The date of the spouse's remarriage.
- 24 (3) When the spouse becomes eligible for Medicare coverage as
- 25 prescribed by 42 U.S.C. 1395 et seq.

26 **(i) This section expires November 30, 2008.**

27 SECTION 3. IC 5-10-8-8.2 IS AMENDED TO READ AS  
28 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8.2. (a) As used in this  
29 section, "former legislator" means a former member of the general  
30 assembly.

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

- 33 (1) is:
  - 34 (A) a dependent child, stepchild, foster child, or adopted child
  - 35 of a former legislator or spouse of a former legislator; or
  - 36 (B) a child who resides in the home of a former legislator or
  - 37 spouse of a former legislator who has been appointed legal
  - 38 guardian for the child; and
- 39 (2) is:
  - 40 (A) less than twenty-three (23) years of age;
  - 41 (B) at least twenty-three (23) years of age, incapable of
  - 42 self-sustaining employment by reason of mental or physical

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1           disability, and is chiefly dependent on a former legislator or  
 2           spouse of a former legislator for support and maintenance; or  
 3           (C) at least twenty-three (23) years of age and less than  
 4           twenty-five (25) years of age and is enrolled in and is a  
 5           full-time student at an accredited college or university.

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

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

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

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

14           (3) who pays an amount equal to the employee's and employer's  
 15           premium for the group health insurance for an active employee;  
 16           and

17           (4) who files a written request for insurance coverage with the  
 18           employer within ninety (90) days after the former legislator's:

19           (A) last day of service as a member of the general assembly;

20           or

21           (B) retirement date;

22           a group health insurance program that is equal to that offered to active  
 23           employees.

24           (e) Except as provided by section 8(j) of this chapter, the eligibility  
 25           of a former legislator to continue insurance under this section ends  
 26           when the former legislator becomes eligible for Medicare coverage as  
 27           prescribed by ~~42 U.S.C.A.~~ U.S.C. 1395 et seq. or when the employer  
 28           terminates the health insurance program.

29           (f) A former legislator who is eligible for insurance coverage under  
 30           this section may elect to have a spouse or dependent of the former  
 31           legislator covered under the health insurance program. A former  
 32           legislator who makes an election under this subsection must pay the  
 33           employee's and employer's premium for the group health insurance  
 34           program for an active employee that is attributable to the inclusion of  
 35           a spouse or dependent.

36           (g) A spouse or dependent may continue insurance under this  
 37           section after the death of the former legislator if the spouse or  
 38           dependent pays the amount the former legislator would have been  
 39           required to pay for coverage selected by the spouse or dependent.

40           (h) Except as provided under section 8(j) of this chapter, the  
 41           eligibility of a spouse to continue insurance under this section ends on  
 42           the earliest of the following:

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- 1 (1) When the employer terminates the health insurance program.  
 2 (2) The date of the legislative spouse's remarriage.  
 3 (3) When the required amount for coverage is not paid with  
 4 respect to the spouse.  
 5 (4) When the spouse becomes eligible for Medicare coverage as  
 6 prescribed by 42 ~~U.S.C.A.~~ **U.S.C.** 1395 et seq.  
 7 (i) The eligibility of a dependent to continue insurance under this  
 8 section ends on the earliest of the following:  
 9 (1) When the employer terminates the health insurance program.  
 10 (2) The date the dependent no longer meets the definition of a  
 11 dependent.  
 12 (3) When the required amount for coverage is not paid with  
 13 respect to the dependent.  
 14 (j) The spouse of a deceased former legislator may elect to  
 15 participate in the group health insurance program under this section if  
 16 all of the following apply:  
 17 (1) The deceased legislator:  
 18 (A) died after December 31, 2000, while serving as a member  
 19 of the general assembly; and  
 20 (B) served in all or part of at least four (4) terms of the general  
 21 assembly (as defined in IC 2-2.1-1-1).  
 22 (2) The surviving spouse files a written request for insurance  
 23 coverage with the employer.  
 24 (3) The surviving spouse pays an amount equal to the employee's  
 25 and employer's premium for the group health insurance for an  
 26 active employee, including any amount with respect to covered  
 27 dependents of the former legislator.  
 28 (k) Except as provided under section 8(j) of this chapter, the  
 29 eligibility of the surviving spouse under subsection (j) ends on the  
 30 earliest of the following:  
 31 (1) When the employer terminates the health insurance program.  
 32 (2) The date of the spouse's remarriage.  
 33 (3) When the required amount for coverage is not paid with  
 34 respect to the spouse and any covered dependent.  
 35 (4) When the surviving spouse becomes eligible for Medicare  
 36 coverage as prescribed by 42 ~~U.S.C.A.~~ **U.S.C.** 1395 et seq.  
 37 **(l) This section expires November 30, 2008.**  
 38 SECTION 4. IC 5-10-8-8.3 IS AMENDED TO READ AS  
 39 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8.3. (a) As used in this  
 40 section, "department" refers to the state personnel department.  
 41 (b) The department shall establish, or contract for the establishment  
 42 of, at least two (2) retiree health benefit plans to be available for former

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employees of:

- (1) the state; and
- (2) the legislative branch of government;

whose employer elects under section 8(j) of this chapter to permit its former employees to continue to participate in a health insurance program under this chapter after the employees have become eligible for Medicare coverage. At least one (1) of the plans offered to former employees must include coverage for prescription drugs comparable to a Medicare plan that provides prescription drug benefits.

**(c) This section expires November 30, 2008.**

SECTION 5. IC 5-10-8-8.4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8.4. **(a)** Except as provided by an enactment of the general assembly, an election by an employer under:

- (1) section 8(f) of this chapter concerning the payment of a retired employee's premium; or
- (2) section 8(j) of this chapter concerning Medicare coverage and program eligibility;

may not be revoked or altered at any time by the employer or a subsequent employer to the detriment of a person entitled to benefits under section 8.2 of this chapter.

**(b) This section expires November 30, 2008.**

SECTION 6. [EFFECTIVE JULY 1, 2007] **(a) Notwithstanding any law, an election made before December 1, 2008, by a speaker of the house of representatives or a president pro tempore of the senate under IC 5-10-8-8, before its amendment by this act, or IC 5-10-8-8.2, before its expiration by this act, to pay any part of the premium for insurance coverage with respect to a former member of the general assembly or the spouse of a former member of the general assembly is void after November 30, 2008.**

**(b) Nothing in this act shall be construed to prohibit a former member of the general assembly or the spouse of a former member of the general assembly who otherwise qualifies for health insurance coverage under IC 5-10-8 from participating in the group health insurance program under IC 5-10-8-8, as amended by this act, after November 30, 2008, so long as the former member of the general assembly or the spouse of a former member of the general assembly pays the entire premium with respect to the insurance coverage.**

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