

SENATE BILL No. 295

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10-8-2.6.

Synopsis: Local unit employee health insurance. Requires a contracted, elected, or appointed public employee of a local unit to weekly submit an accounting of the number of hours the employee spent performing public employer business as a condition of the employee's eligibility for group health insurance.

Effective: July 1, 2012.

Holdman

January 5, 2012, read first time and referred to Committee on Local Government.

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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 2011 Regular Session of the General Assembly.

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SENATE BILL No. 295



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 5-10-8-2.6, AS AMENDED BY P.L.182-2009(ss),
2 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2012]: Sec. 2.6. (a) This section applies only to local unit
4 public employers and their employees. This section does not apply to
5 public safety employees, surviving spouses, and dependents covered by
6 section 2.2 of this chapter.

7 (b) A public employer may provide programs of group insurance for
8 its employees and retired employees. The public employer may,
9 however, exclude part-time employees and persons who provide
10 services to the unit under contract from any group insurance coverage
11 that the public employer provides to the employer's full-time
12 employees. **An employee who is under contract, elected, or**
13 **appointed to employment with a public employer shall, as a**
14 **condition of eligibility for coverage under a program of group**
15 **health insurance under this section, weekly submit to the public**
16 **employer a signed accounting of the actual number of hours spent**
17 **by the employee during the previous week in the performance of**



1 **official public employer business.** A public employer may provide
 2 programs of group health insurance under this section through one (1)
 3 of the following methods:

- 4 (1) By purchasing policies of group insurance.
 5 (2) By establishing self-insurance programs.
 6 (3) By electing to participate in the local unit group of local units
 7 that offer the state employee health plan under section 6.6 of this
 8 chapter.
 9 (4) If the local unit public employer is a school corporation, by
 10 electing to provide the coverage through a state employee health
 11 plan under section 6.7 of this chapter.

12 A public employer may provide programs of group insurance other
 13 than group health insurance under this section by purchasing policies
 14 of group insurance and by establishing self-insurance programs.
 15 However, the establishment of a self-insurance program is subject to
 16 the approval of the unit's fiscal body.

17 (c) A public employer may pay a part of the cost of group insurance,
 18 but shall pay a part of the cost of group life insurance for local
 19 employees. A public employer may pay, as supplemental wages, an
 20 amount equal to the deductible portion of group health insurance as
 21 long as payment of the supplemental wages will not result in the
 22 payment of the total cost of the insurance by the public employer.

23 (d) An insurance contract for local employees under this section
 24 may not be canceled by the public employer during the policy term of
 25 the contract.

26 (e) After June 30, 1986, a public employer shall provide a group
 27 health insurance program under subsection (g) to each retired
 28 employee:

- 29 (1) whose retirement date is:
 30 (A) after May 31, 1986, for a retired employee who was a
 31 teacher (as defined in IC 20-18-2-22) for a school corporation;
 32 or
 33 (B) after June 30, 1986, for a retired employee not covered by
 34 clause (A);
 35 (2) who will have reached fifty-five (55) years of age on or before
 36 the employee's retirement date but who will not be eligible on that
 37 date for Medicare coverage as prescribed by 42 U.S.C. 1395 et
 38 seq.;
 39 (3) who will have completed twenty (20) years of creditable
 40 employment with a public employer on or before the employee's
 41 retirement date, ten (10) years of which must have been
 42 completed immediately preceding the retirement date; and

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- 1 (4) who will have completed at least fifteen (15) years of
 2 participation in the retirement plan of which the employee is a
 3 member on or before the employee's retirement date.
- 4 (f) A group health insurance program required by subsection (e)
 5 must be equal in coverage to that offered active employees and must
 6 permit the retired employee to participate if the retired employee pays
 7 an amount equal to the total of the employer's and the employee's
 8 premiums for the group health insurance for an active employee and if
 9 the employee, within ninety (90) days after the employee's retirement
 10 date, files a written request with the employer for insurance coverage.
 11 However, the employer may elect to pay any part of the retired
 12 employee's premiums.
- 13 (g) A retired employee's eligibility to continue insurance under
 14 subsection (e) ends when the employee becomes eligible for Medicare
 15 coverage as prescribed by 42 U.S.C. 1395 et seq., or when the
 16 employer terminates the health insurance program. A retired employee
 17 who is eligible for insurance coverage under subsection (e) may elect
 18 to have the employee's spouse covered under the health insurance
 19 program at the time the employee retires. If a retired employee's spouse
 20 pays the amount the retired employee would have been required to pay
 21 for coverage selected by the spouse, the spouse's subsequent eligibility
 22 to continue insurance under this section is not affected by the death of
 23 the retired employee. The surviving spouse's eligibility ends on the
 24 earliest of the following:
- 25 (1) When the spouse becomes eligible for Medicare coverage as
 - 26 prescribed by 42 U.S.C. 1395 et seq.
 - 27 (2) When the employer terminates the health insurance program.
 - 28 (3) Two (2) years after the date of the employee's death.
 - 29 (4) The date of the spouse's remarriage.
- 30 (h) This subsection does not apply to an employee who is entitled
 31 to group insurance coverage under IC 20-28-10-2(b). An employee
 32 who is on leave without pay is entitled to participate for ninety (90)
 33 days in any group health insurance program maintained by the public
 34 employer for active employees if the employee pays an amount equal
 35 to the total of the employer's and the employee's premiums for the
 36 insurance. However, the employer may pay all or part of the employer's
 37 premium for the insurance.
- 38 (i) A public employer may provide group health insurance for
 39 retired employees or their spouses not covered by subsections (e)
 40 through (g) and may provide group health insurance that contains
 41 provisions more favorable to retired employees and their spouses than
 42 required by subsections (e) through (g). A public employer may

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1 provide group health insurance to an employee who is on leave without
2 pay for a longer period than required by subsection (h), and may
3 continue to pay all or a part of the employer's premium for the
4 insurance while the employee is on leave without pay.

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