

1 State of Arkansas
2 90th General Assembly
3 Regular Session, 2015
4

As Engrossed: S2/23/15

A Bill

SENATE BILL 182

5 By: Senators E. Williams, Hickey, D. Sanders
6

For An Act To Be Entitled

8 AN ACT TO REGULATE THE ELIGIBILITY OF CERTAIN
9 RETIREES TO PARTICIPATE IN THE STATE AND PUBLIC
10 SCHOOL LIFE AND HEALTH INSURANCE PROGRAM; AND FOR
11 OTHER PURPOSES.
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Subtitle

14 TO REGULATE THE ELIGIBILITY OF CERTAIN
15 RETIREES TO PARTICIPATE IN THE STATE AND
16 PUBLIC SCHOOL LIFE AND HEALTH INSURANCE
17 PROGRAM.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code § 21-5-411(a), concerning the eligibility of
24 certain retired employees, is amended to add an additional subdivision to
25 read as follows:

26 (5)(A) A qualified retiree hired as a new employee or elected as
27 a public official after December 31, 2015, who applies for participation in
28 the program shall pay a premium as determined by the board that includes:

29 (i) If a retiree enrolled in the program within the
30 first (3) years of employment with a participating entity, an appropriate
31 premium rate for a retiree;

32 (ii) If a retiree enrolled in the program between
33 the fourth and thirteenth year of employment with a participating entity, an
34 additional five percent (5%) of the premium rate;

35 (iii) If a retiree enrolled in the program between
36 the fourteenth and twenty-third year of employment with a participating



1 entity, an additional ten percent (10%) of the premium rate; and

2 (iv) If a retiree enrolled in the program after the
 3 twenty-third year of employment with a participating entity, an additional
 4 fifteen percent (15%) of the premium rate.

5 (B)(i) A retiree shall be continuously enrolled in the
 6 program if actively employed in a position that is eligible to participate in
 7 the program.

8 (ii)(a) A retiree who has a break in enrollment in
 9 the program may be considered to be continuously enrolled in the program if
 10 the retiree:

11 (1) Applies for participation in the
 12 program within thirty-one (31) days of returning to active employment; and

13 (2) Is employed in a position that is
 14 eligible to participate in the program.

15 (b) If a retiree declines to participate in
 16 the program upon returning to active employment under subdivision
 17 (a)(5)(B)(ii)(a) of this section, the retiree may participate in the program
 18 based on the year of the retiree's most recent enrollment in the program.

19 (iii) A retiree who declines to participate in the
 20 program at the time of retirement is not considered continuously enrolled in
 21 the program.

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 23 SECTION 2. Arkansas Code § 21-5-411(a)(2)(C)(ii)(a), concerning the
 24 eligibility of certain retired employees, is amended to read as follows:

25 (ii)(a) If an active retiree declining to
 26 participate in the program specifies in writing and provides a letter of
 27 creditable employer group coverage to show that the reason for the
 28 declination is that the active retiree had coverage through another employer
 29 group health plan and the active retiree's coverage was subsequently
 30 terminated because of a loss of eligibility, as defined by Internal Revenue
 31 Service regulations, and provides information from the former insurance
 32 company of the loss of eligibility, then the active retiree and any
 33 dependents shall qualify for participation in the program upon payment of the
 34 appropriate premium as ~~established~~ determined by the board under subdivision
 35 (a)(5) of this section if the active retiree applies for participation in the
 36 program within thirty (30) days of the loss of eligibility.

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2 SECTION 3. Arkansas Code § 21-5-411(a)(3)(C)(ii), concerning the
3 eligibility of certain retired employees, is amended to read as follows:

4 (ii) If an inactive retiree as described in
5 subdivision (a)(3)(B) of this section declining participation in the program
6 specifies in writing that the reason for the declination is that the inactive
7 retiree has coverage through another group health plan and the inactive
8 retiree's coverage is subsequently terminated because of a loss of
9 eligibility, then the inactive retiree and any dependents shall qualify for
10 participation in the program upon payment of the appropriate premium as
11 ~~established~~ determined by the board under subdivision (a)(5) of this section,
12 provided the inactive retiree applies for program participation within
13 thirty-one (31) days of the loss of eligibility.
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15 SECTION 4. Arkansas Code § 21-5-411(a)(3)(D), concerning the
16 eligibility of certain retired employees, is amended to read as follows:

17 (D) An eligible inactive retiree shall be reclassified as
18 an active retiree upon electing to receive a retirement benefit by a
19 retirement system listed under subdivision (a)(1)(A) of this section and
20 shall be charged the premium rate appropriate for his or her rating category
21 as an active retiree as determined by the board under subdivision (a)(5) of
22 this section.
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24 SECTION 5. Arkansas Code § 21-5-411(b)(1), concerning the eligibility
25 of certain retired employees, is amended to read as follows:

26 (b)(1) Retirees who draw retirement benefits under the Arkansas Public
27 Employees' Retirement System, the Arkansas Teacher Retirement System, or the
28 Arkansas State Highway Employees' Retirement System and retired contract
29 employees of the Arkansas National Guard who wish to participate in the
30 program shall pay the retiree amount of the premium as determined by the
31 board under subdivision (a)(5) of this section or the cost of the policy
32 issued to the retired participant.
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34 */s/E. Williams*
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36 **APPROVED: 03/06/2015**