

State of Arkansas

As Engrossed: H2/25/25

95th General Assembly

A Bill

Regular Session, 2025

HOUSE BILL 1327

By: Representative Warren

By: Senator C. Penzo

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING THE ELIGIBILITY OF
CERTAIN RETIRED EMPLOYEES UNDER THE STATE AND PUBLIC
SCHOOL LIFE AND HEALTH INSURANCE PROGRAM; AND FOR
OTHER PURPOSES.

Subtitle

TO AMEND THE LAW CONCERNING THE
ELIGIBILITY OF CERTAIN RETIRED EMPLOYEES
UNDER THE STATE AND PUBLIC SCHOOL LIFE
AND HEALTH INSURANCE PROGRAM.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

*SECTION 1. Arkansas Code § 21-5-411(a)(1)–(3), concerning the
eligibility of certain retired employees under the State and Public School
Life and Health Insurance Program, are amended to read as follows:*

*(a)(1) State employee retirees and public school retirees are
qualified to enroll in the State and Public School Life and Health Insurance
Program as retirees if they:*

*(A) Have participated in the ~~program~~ State and Public
School Life and Health Insurance Program for at least five (5) cumulative
years before retirement ~~as participating~~ and are also vested members of:*

*(i) The Arkansas Public Employees' Retirement
System, including the members of the legislative division and the contract
personnel of the Arkansas National Guard;*

(ii) The Arkansas Teacher Retirement System;

(iii) The Arkansas State Highway Employees'



1 Retirement System;

2 (iv) The Arkansas Judicial Retirement System; or

3 (v) An alternate retirement plan as defined in § 24-

4 7-202; and

5 (B) Are retired ~~and drawing benefits under~~ as determined
6 by one (1) or more of the retirement systems listed under subdivision
7 (a)(1)(A) of this section.

8 (2)(A)(i) If a state employee retiree or a public school
9 employee retiree who is a member of a retirement system listed under
10 subdivision (a)(1)(A) of this section receives retirement benefits, thereby
11 becoming an active retiree, and has participated in the ~~program~~ State and
12 Public School Life and Health Insurance Program for at least five (5)
13 cumulative years before retirement, the active retiree may elect to enroll in
14 the ~~program~~ State and Public School Life and Health Insurance Program.

15 (ii) The election to enroll in the ~~program~~ State and
16 Public School Life and Health Insurance Program shall be made within thirty
17 (30) days of the state employee retiree's or public school employee retiree's
18 becoming an active retiree and shall be made ~~in writing~~ to the Employee
19 Benefits Division on forms required by the division.

20 (B)(i) ~~To~~ Except when prohibited by federal law, to be
21 eligible to continue coverage or to qualify for coverage after electing to
22 decline participation in the ~~program~~ State and Public School Life and Health
23 Insurance Program, the retiree must have been covered for at least five (5)
24 cumulative years before the retiree's employment ended.

25 (ii) ~~If~~ Except when prohibited by federal law, if a
26 retiree declines to participate in the ~~program~~ State and Public School Life
27 and Health Insurance Program at the time of retirement because the retiree is
28 already covered under another employer-sponsored group health insurance
29 policy, the retiree may make a one-time election to participate in the
30 ~~program~~ State and Public School Life and Health Insurance Program if the
31 retiree experiences a qualifying event with proof of continued insurance
32 coverage at the time of open enrollment and documentation that the retiree
33 was covered under the ~~program~~ State and Public School Life and Health
34 Insurance Program for at least five (5) cumulative years before retirement.

35 (C)(i) Except as provided in subdivision (a)(2)(C)(ii) of
36 this section, an active retiree's failure to make an election to participate

1 in the ~~program~~ State and Public School Life and Health Insurance Program
2 during the thirty-day election period or an active retiree's election to
3 decline participation in the ~~program~~ State and Public School Life and Health
4 Insurance Program is final.

5 (ii) If an active retiree declines participation in
6 the ~~program~~ State and Public School Life and Health Insurance Program because
7 the active retiree has health insurance coverage through another employer
8 group health ~~plan~~ program and the active retiree's coverage was subsequently
9 terminated because of a loss of eligibility, as defined by Internal Revenue
10 Service regulations, and provides information from the former insurance
11 company of the loss of eligibility, then the active retiree shall qualify for
12 participation in the ~~program~~ State and Public School Life and Health
13 Insurance Program upon confirmation that the active retiree participated in
14 the ~~program~~ State and Public School Life and Health Insurance Program for at
15 least five (5) cumulative years before retirement and payment of the
16 appropriate premium as determined by the State Board of Finance under
17 subdivision (a)(5) of this section if the active retiree applies for
18 participation in the ~~program~~ State and Public School Life and Health
19 Insurance Program within thirty (30) days of the loss of eligibility.

20 (3)(A) Notwithstanding any other provision to the contrary in
21 this section, a state employee or public school employee who has five (5)
22 cumulative years of participation in the ~~program~~ State and Public School Life
23 and Health Insurance Program before retirement and ten (10) or more years of
24 creditable service under the terms of a retirement ~~plan~~ program listed in
25 this section shall qualify for continued participation in the ~~program~~ State
26 and Public School Life and Health Insurance Program if the state employee or
27 public school employee is separated from employment because of the expiration
28 of a fixed period of employment.

29 (B)(i) A state employee or public school employee
30 qualifying for continued participation in the ~~program~~ State and Public School
31 Life and Health Insurance Program under this subsection shall be considered
32 an inactive retiree and shall have thirty-one (31) days from the effective
33 date of termination to elect to continue participation in the ~~program~~ State
34 and Public School Life and Health Insurance Program under this section by
35 notifying the division.

36 (ii) The election to continue participation in the

1 ~~program~~ State and Public School Life and Health Insurance Program shall be
2 made in writing on forms required by the division.

3 (C)(i) Except as provided in subdivision (a)(2)(B)(ii) of
4 this section, an inactive retiree's failure to elect to continue
5 participation in the ~~program~~ State and Public School Life and Health
6 Insurance Program during the thirty-day election period or an inactive
7 retiree's election to decline participation in the ~~program~~ State and Public
8 School Life and Health Insurance Program is final.

9 (ii) If an inactive retiree as described in
10 subdivision (a)(3)(B) of this section declines participation in the ~~program~~
11 State and Public School Life and Health Insurance Program because the
12 inactive retiree has health insurance coverage through another employer-
13 sponsored group health ~~plan~~ program and the inactive retiree's coverage is
14 subsequently terminated because of a loss of eligibility, then the inactive
15 retiree and any dependents shall qualify for participation in the ~~program~~
16 State and Public School Life and Health Insurance Program if, within thirty
17 (30) days of the inactive retiree's involuntary loss of coverage, the
18 inactive retiree submits to the board:

19 (a) Payment of the appropriate premium as
20 determined by the board under subdivision (a)(5) of this section;

21 (b) Proof that, until the inactive retiree's
22 involuntary loss of coverage through another employer-sponsored group health
23 ~~plan~~ program, the coverage had been continuous; and

24 (c) Proof that the inactive retiree
25 participated in the ~~program~~ State and Public School Life and Health Insurance
26 Program for at least five (5) cumulative years before retirement.

27 (D) An eligible inactive retiree shall be reclassified as
28 an active retiree upon electing to receive a retirement benefit by a
29 retirement system listed under subdivision (a)(1)(A) of this section and
30 shall be charged the premium rate appropriate for his or her rating category
31 as an active retiree as determined by the board under subdivision (a)(5) of
32 this section.

33
34 SECTION 2. Arkansas Code § 21-5-411(d)(2)(B), concerning the
35 eligibility of dependents of certain retired employees under the State and
36 Public School Life and Health Insurance Program, is amended to read as

1 follows:

2 (B) Subsequent to the active or inactive retiree's
3 declination of health insurance coverage for the dependent under subdivision
4 (d)(2)(A) of this section, the dependent involuntarily lost his or her
5 employer-sponsored group health insurance coverage, and the loss of health
6 insurance coverage was not the result of:

7 (i) Fraud; or

8 (ii) Voluntary cessation of premium payment while
9 the active or inactive retiree was covered by a ~~plan~~ program option offered
10 under the ~~program~~ State and Public School Life and Health Insurance Program;
11 and

12
13 /s/Warren
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16 APPROVED: 4/3/25
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