

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

A Bill

SENATE BILL 182

5 By: Senators E. Williams, Bledsoe, 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.
12
13

Subtitle

15 TO REGULATE THE ELIGIBILITY OF CERTAIN
16 RETIREES TO PARTICIPATE IN THE STATE AND
17 PUBLIC SCHOOL LIFE AND HEALTH INSURANCE
18 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 without a separation of service or break in enrollment.

7 (ii)(a) A retiree who does not have continued
 8 enrollment in the program may participate in the program based on the year of
 9 the retiree's most recent enrollment in the program.

10 (b) A retiree who declines to participate in
 11 the program at the time of retirement is not considered continuously enrolled
 12 in the program.

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

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

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

31 (ii) If an inactive retiree as described in
 32 subdivision (a)(3)(B) of this section declining participation in the program
 33 specifies in writing that the reason for the declination is that the inactive
 34 retiree has coverage through another group health plan and the inactive
 35 retiree's coverage is subsequently terminated because of a loss of
 36 eligibility, then the inactive retiree and any dependents shall qualify for

1 participation in the program upon payment of the appropriate premium as
2 ~~established~~ determined by the board under subdivision (a)(5) of this section,
3 provided the inactive retiree applies for program participation within
4 thirty-one (31) days of the loss of eligibility.

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6 SECTION 4. Arkansas Code § 21-5-411(a)(3)(D), concerning the
7 eligibility of certain retired employees, is amended to read as follows:

8 (D) An eligible inactive retiree shall be reclassified as
9 an active retiree upon electing to receive a retirement benefit by a
10 retirement system listed under subdivision (a)(1)(A) of this section and
11 shall be charged the premium rate appropriate for his or her rating category
12 as an active retiree as determined by the board under subdivision (a)(5) of
13 this section.

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15 SECTION 5. Arkansas Code § 21-5-411(b)(1), concerning the eligibility
16 of certain retired employees, is amended to read as follows:

17 (b)(1) Retirees who draw retirement benefits under the Arkansas Public
18 Employees' Retirement System, the Arkansas Teacher Retirement System, or the
19 Arkansas State Highway Employees' Retirement System and retired contract
20 employees of the Arkansas National Guard who wish to participate in the
21 program shall pay the retiree amount of the premium as determined by the
22 board under subdivision (a)(5) of this section or the cost of the policy
23 issued to the retired participant.