

State of Arkansas
90th General Assembly
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As Engrossed: S2/23/15
A Bill

SENATE BILL 182

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

For An Act To Be Entitled

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

Subtitle

TO REGULATE THE ELIGIBILITY OF CERTAIN
RETIREES TO PARTICIPATE IN 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), concerning the eligibility of certain retired employees, is amended to add an additional subdivision to read as follows:

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

(ii) If an inactive retiree as described in subdivision (a)(3)(B) of this section declining participation in the program specifies in writing that the reason for the declination is that the inactive retiree has coverage through another group health plan and the inactive retiree's coverage is subsequently terminated because of a loss of eligibility, then the inactive retiree and any dependents shall qualify for participation in the program upon payment of the appropriate premium as ~~established~~ determined by the board under subdivision (a)(5) of this section, provided the inactive retiree applies for program participation within thirty-one (31) days of the loss of eligibility.

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

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

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

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

/s/E. Williams

APPROVED: 03/06/2015