

**ARKANSAS SENATE**  
83rd General Assembly - Regular Session, 2001  
**Amendment Form**

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**Subtitle of Senate Bill No. 30**

"TO ALLOW PUBLIC RETIREES TO PARTICIPATE IN STATE EMPLOYEES' HEALTH  
INSURANCE IF THEY WERE PREVIOUSLY COVERED UNDER A SPOUSE'S OR  
DEPENDENT'S HEALTH INSURANCE."

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**Amendment No. 1 to Senate Bill No. 30.**

Amend Senate Bill No. 30 as originally introduced:

Page 1, line 12, delete in the Title "A SPOUSE'S OR DEPENDENT'S" and substitute "ANOTHER PROGRAM OF"

AND

Page 1, lines 19 and 20, delete in the Subtitle "A SPOUSE'S OR DEPENDENT'S" and substitute "ANOTHER PROGRAM OF"

AND

Delete Section 1 and substitute the new SECTION 1 to the bill as follows:

"SECTION 1. Arkansas Code 21-5-411 is amended to read as follows:  
21-5-411. Eligibility of certain retired employees.

(a)(1) State employees who are members of:

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

(B) The Arkansas Teacher Retirement System;

(C) The Arkansas State Highway Employees' Retirement System; and

(D) The Arkansas Judicial Retirement System who are now retired and drawing benefits under the systems and members of those systems who hereafter retire and receive retirement benefits under the systems shall be eligible to continue coverage and, if qualified, to participate in the group health insurance program instituted pursuant to the provisions of this subchapter and other laws enacted to implement the program. ~~At the time members of those systems elect to receive retirement benefits, thereby becoming "active retirees", an election shall also be made to continue coverage in the health benefit programs sponsored by the State and Public School Life and Health Insurance Board. If members of these retirement systems receive retirement benefits, thereby becoming active retirees, the active retirees shall elect to enroll in a health benefit program sponsored by the~~

State and Public School Life and Health Insurance Board. The election to enroll shall be made within a thirty-one (31) days of the member becoming an active retiree and shall be made in writing to the executive director on forms prescribed by the board. To be eligible to continue coverage or to qualify for coverage after electing to decline participation, the member must have been covered or been eligible for coverage on the last day of the member's employment. Any election made to decline participation in the health benefit programs is final. Except as provided in the next sentence, an active retiree's failure to make an election during the thirty-one (31) day election period or an active retiree's election to decline participation in the health program is final. If an active retiree declining coverage, specifies in writing that the reason for the declination is because the active retiree has coverage through another insurance program or group health plan, and the active retiree's coverage is subsequently terminated because of a loss of eligibility, then the active retiree and any dependents shall qualify for coverage in a health benefit program under this subsection upon payment of the appropriate premium as established by the board, provided the active retiree applies for coverage within thirty-one (31) days of the loss of eligibility. Any subsequent termination of health benefits by the retiree is final.

(2)(A) Notwithstanding any other provision to the contrary in this section, an employee with ten (10) or more years of creditable service under the terms of a retirement plan listed in this section shall qualify for continuation of health insurance coverage offered by the board if that employee is separated from employment because of the expiration of a fixed period of employment.

(B)(i) An employee qualifying for continuation of coverage under this subsection shall be considered an "inactive retiree" and shall have thirty-one (31) days from the effective date of termination to elect to continue health insurance coverage hereunder by notifying the executive director. The election shall be made upon forms prescribed by the board. The agency or school district from which the employee was terminated must certify the applicant's qualifications to the Employee Benefits Division of the Department of Finance and Administration. Except as provided in the next sentence, an inactive retiree's failure to make an election during the thirty-one (31) day election period or an inactive retiree's election to decline participation in the health program is final. If an inactive retiree declining coverage, specifies in writing that the reason for the declination is because the inactive retiree has coverage through another insurance program or 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 coverage in a board-sponsored health benefit program upon payment of the appropriate premium as established by the board, provided the inactive retiree applies for coverage within thirty-one (31) days of the loss of eligibility

(ii) Inactive retirees shall be charged a premium determined by the board to be actuarially sound, along with administrative fees deemed appropriate.

(iii) Inactive retirees shall not be eligible to return to the board-sponsored health program if for any reason the inactive retiree ceases coverage at any time after election under this subsection.

(iv) Inactive retirees shall be reclassified as "active retirees" upon electing to receive a retirement benefit by a

retirement system listed within this section, and shall be charged the premium rate appropriate for their rating category as active retirees.

(3)(A) As used in subsection (a) of this section, "loss of eligibility" means a loss of coverage as result of a legal separation, divorce, death, termination of employment, or a reduction in the number of hours of employment.

(B) "Loss of eligibility" shall not include a loss of coverage from a failure to pay premiums, failure to pay premiums on a timely basis, or a termination of coverage for cause, such as making a fraudulent claim.

(b)(1) Persons 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 group insurance program provided for in this subchapter shall pay the retiree amount of the premium or cost of the policy issued to such retired participant.

(2) The retiree portion of the premium or cost shall be deducted from the retirement benefit check of the retired participants.

(c) Eligible employees of institutions of higher education who are retired with at least ten (10) years of creditable service after July 1, 1983, shall be allowed to participate in the group insurance program provided for in this subchapter but shall pay the full amount of the premium or cost of the policy issued to the retired participant. All eligible participants must make an option selection of coverage within thirty-one (31) days subsequent to the date of their notification of termination or retirement.

(d) Members of the Arkansas Public Employees' Retirement System and the Arkansas State Highway Employees' Retirement System who retire before January 2, 1988, under the provisions of the Incentives for Early Retirement Act, §§ 24-3-216, 24-4-732, 24-5-122, and 24-6-102, shall not have to pay the full amount of the premium and shall pay a portion of the cost of the policy as set forth by the Incentives for Early Retirement Act.

(e) Any future change in coverage other than cancellation shall be extended only to newly acquired dependents, except that if an active or inactive retiree declined dependent coverage at the time of election to be an active or inactive retiree because such and specified in writing that the reason for the declination is that the dependent had other coverage, and if subsequently such dependent involuntarily loses such coverage, except for fraud or voluntary cessation of premium payment while the active or inactive retiree is covered by the plan, then such dependent may be added within thirty-one (31) days of such involuntary termination to the active or inactive retiree's health insurance coverage for payment of the appropriate premium as established by the board. "

**The Amendment was read the first time, rules suspended and read the second time and \_\_\_\_\_**

**By: Senator J. Jeffress**

**EN/VJF**

**VJF672**

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**Secretary**