

PEHIB RETIREE SUPPLEMENT

1 69786-5 : n : 10/15/2004 : EBOLML / lml

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8 SYNOPSIS: To provide for the sharing of the cost of
9 health insurance premiums based on years of service
10 by retirees who are covered by the Public Education
11 Employees' Health Insurance Plan and to provide for
12 supplemental insurance policy for secondary
13 coverage in lieu of coverage in the basic medical
14 plan of the Public Education Employees' Health
15 Insurance Plan.

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17 A BILL

18 TO BE ENTITLED

19 AN ACT

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21 To add a new Section 16-25A-8.1 to provide for the
22 sharing of the cost of health insurance premiums based on
23 years of service by retirees who are covered by the Public
24 Education Employees' Health Insurance Plan; to add a new
25 Section 16-25A-5.2 to provide for supplemental insurance
26 policy for secondary coverage, and to provide that enactment
27 of this bill shall be contingent upon the enactment of House
28 Bill ____ from the First Special Session of 2004.

29 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1 Section 1. Add a new Section 16-25A-5.2, Code of
2 Alabama 1975, to read as follows:

3 "Section 16-25A-5.2. Supplemental policy to provide
4 secondary coverage for retirees.

5 The Board may offer retirees a supplemental policy
6 that provides secondary coverage to other employer group
7 coverage and certain requirements shall be maintained
8 regarding retiree health coverage and cost sharing.

9 (a) For employees who retire after September 30,
10 2005, and who become employed by an employer that provides
11 employees at least 50 percent of the cost of single health
12 insurance coverage and that qualify to receive other employer
13 group health insurance coverage through that employer shall be
14 required to use the employer's health benefit plan for primary
15 coverage and the Public Education Employees' Health Insurance
16 Plan may provide supplemental secondary coverage.

17 (b) For retirees who have spouses with other
18 employer group health insurance coverage available to them
19 through their employer or previous employer, the Board may
20 provide such retirees with a supplemental coverage policy to
21 the other employer group health insurance coverage in lieu of
22 full basic medical plan coverage through the Plan.

23 (c) Employers that provide some or all retirees
24 other employer group health insurance coverage shall not
25 disqualify or otherwise limit a retiree, or their spouse from
26 receiving health care benefits."

27 Section 2. Add new Section 16-25A-8.1, Code of
28 Alabama 1975, to read as follows:

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1 "Section 16-25A-8.1. Retiree contribution based on
2 years of service.

3 The Board shall set forth the employer contribution
4 to the health insurance premium for each retiree class. For
5 employees who retire other than for disability after September
6 30, 2005, the employer contribution of the health insurance
7 premium set forth by the Board for each retiree class shall be
8 reduced by two percent for each year of service less than
9 twenty-five and increased by two percent for each year of
10 service over twenty-five subject to adjustment by the Board
11 for changes in Medicare premium costs required to be paid by a
12 retiree. In no case shall the employer contribution of the
13 health insurance premium exceed 100 percent of the total
14 health insurance premium cost for the retiree."

15 Section 3. All laws or parts of laws, general,
16 special, private or local, in conflict with or inconsistent
17 with the provisions of this act are hereby expressly repealed.
18 If it is determined by a court of competent jurisdiction that
19 any provision of this act shall contravene any constitutional
20 provision or amendment, either now in effect or in the future,
21 then only that conflicting provision or provisions in this act
22 shall be deemed null and void.

23 Section 4. This act shall become effective upon its
24 passage and approval by the Governor and upon passage and
25 approval by the Governor of House Bills ___ of the First
26 Special Session of 2004 of the Alabama Legislature. In the
27 event that House Bills __ of the First Special Session of 2004
28 is not passed and approved, then this act shall become null
29 and void.