

1 HB611
2 139351-1
3 By Representatives Buskey and Gaston
4 RFD: State Government
5 First Read: 22-MAR-12

1
2 To amend Section 36-29-1, as amended by Act 2011-698
3 of the 2011 Regular Session (Acts 2011, p. 2141), Code of
4 Alabama 1975, relating to the State of Alabama; to add certain
5 employees of the USS Alabama Battleship Commission to the
6 definition of retiree; to revise the definition of years of
7 service so as to authorize the State Employees' Insurance
8 Board to determine the years of creditable service for such
9 periods of time that an employee of the USS Alabama Battleship
10 Commission was employed as a non-Merit System employee; and to
11 provide for retroactive effect to July 1, 2008.

12 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

13 Section 1. Section 36-29-1, as amended by Act
14 2011-698 of the 2011 Regular Session (Acts 2011, p. 2141),
15 Code of Alabama 1975, is amended to read as follows:

16 "§36-29-1.

17 "When used in this chapter, the following terms
18 shall have the following meanings, respectively, unless the
19 context clearly indicates otherwise:

20 "(1) BOARD. The State Employees' Insurance Board.

21 "(2) CLASS. An employee or retiree shall be included
22 in one of the following classes: (i) active employee single,
23 (ii) active employee family, (iii) non-Medicare retiree
24 single, (iv) non-Medicare retiree family, (v) Medicare retiree
25 single, (vi) Medicare retiree family, (vii) non-Medicare
26 retiree with Medicare eligible dependent(s), or (viii)
27 Medicare retiree with non-Medicare dependent(s).

1 "(3) EMPLOYEE. A person who works full time for the
2 State of Alabama or for a county health department and who
3 receives his or her full compensation on a monthly basis
4 through means of a state warrant drawn upon the State Treasury
5 or by check drawn by the Treasurer of the Alabama State Port
6 Authority or by check drawn by the Treasurer of the USS
7 Alabama Battleship Commission or by check drawn by the
8 treasurer of the Alabama state agency for surplus property
9 other than those employees covered by the federal Railroad
10 Retirement Act. Full-time employees of the county health
11 department in all counties having populations of not less than
12 300,000 nor more than 500,000 shall also be included in the
13 definition of employee for the purpose of this chapter, and
14 the health department of any such county is hereby authorized
15 to pay the employer's share of any contributions to the
16 retirement fund; provided further, that any district attorney
17 or full-time employees in the district attorney's office, of
18 any judicial circuit shall be included in the definition of
19 employee for the purpose of this chapter, and the respective
20 judicial circuits are hereby authorized to pay the employer's
21 share of any contribution therefor and any person employed
22 part time by the State of Alabama on a wage and hourly basis,
23 excluding fee compensations and other like arrangements, shall
24 be included in the definition of employee as defined in this
25 chapter provided such person shall agree to have deducted from
26 his or her hourly wage, as stipulated, a pro rata portion of
27 the premium cost of a full-time state employee based on the

1 percentage of time such person is employed by the state
2 according to rules and regulations established by the State
3 Employees' Insurance Board. The term shall also include an
4 employee who worked at least 10 years for the State Department
5 of Transportation in "captive county" circumstances as defined
6 by Section 23-1-100 and who was transferred to county
7 employment upon the adoption of Article 3A, Chapter 1, Title
8 23. Provided further, however, any costs incurred as a result
9 of including such employee in this term shall be payable from
10 funds of the State Department of Transportation.

11 "(4) EMPLOYEE CONTRIBUTION. The amount of the total
12 health insurance premium to be paid by the employee or retiree
13 as determined by the board.

14 "(5) EMPLOYER CONTRIBUTION. The amount of the total
15 health insurance premium to be paid by the employer as
16 determined by the board.

17 "(6) FEDERAL POVERTY LEVEL. Income level determined
18 in Section 673(2) of the Community Services Block Grant Act 2
19 (42 U.S.C. § 9902(2)). Should the federal government no longer
20 derive or substantially change its derivation of the federal
21 poverty level, the State Employees' Insurance Board has the
22 authority to derive and apply an alternate poverty level to
23 carry out its obligations under this chapter.

24 "(7) HEALTH INSURANCE PREMIUM. The total health
25 insurance cost under the State Employees' Health Insurance
26 Plan with respect to each class of employees or retirees.
27 Individual premiums may include adjustments and surcharges for

1 (i) family size including, but not limited to, a husband and
2 wife both being covered by the State Employees' Health
3 Insurance Plan, (ii) spouse's eligibility for other health
4 insurance, (iii) smokers and users of tobacco products, (iv)
5 preventative care and wellness care participation, and (v) any
6 such other categories of risk that the board shall approve.

7 "(8) MEDICARE RETIREE. A retiree entitled to
8 benefits under the federal Medicare program (Subchapter XVIII
9 of the Social Security Act, 42 U.S.C. §§ 1395 et seq.).

10 "(9) NON-MEDICARE RETIREE. A retiree not entitled to
11 benefits under the federal Medicare program (Subchapter XVIII
12 of the Social Security Act, 42 U.S.C. §§ 1395 et seq.).

13 "(10) OTHER EMPLOYER GROUP HEALTH INSURANCE
14 COVERAGE. Group health insurance coverage available to an
15 employee or retiree through an employer other than the State
16 of Alabama. Other employer group health insurance coverage
17 does not include the State Employees' Health Insurance Plan,
18 the Public Education Employees' Health Insurance Plan, or the
19 local government health insurance plan.

20 "(11) RETIREE. An employee who retires from the
21 service of the State of Alabama, who, at the time of such
22 retirement has at least 10 years of creditable coverage, meets
23 the criteria set out in this chapter and who, following such
24 retirement, draws a monthly benefit from the Employees'
25 Retirement System of Alabama, the USS Alabama Battleship
26 Commission, the Judicial Retirement System of Alabama, the

1 Teachers' Retirement System of Alabama, or the Alabama State
2 Port Authority.

3 "(12) STATE EMPLOYEES' HEALTH INSURANCE PLAN. The
4 health benefit plan administered or offered by the State
5 Employees' Insurance Board for eligible employees and retirees
6 and their respective dependents. The State Employees'
7 Insurance Board may offer supplemental coverages and policies
8 in lieu of or in addition to coverage in the basic medical
9 plan of the State Employees' Health Insurance Plan. Also
10 referred to herein as "health insurance plan" or "plan."

11 "(13) SUPPLEMENTAL COVERAGE. Coverage offered to
12 employees and retirees by the State Employees' Insurance Board
13 in lieu of coverage in the basic medical plan of the State
14 Employees' Health Insurance Plan that supplements an
15 employee's or retiree's other employer group health insurance
16 coverage.

17 "(14) SUPPLEMENTAL POLICY. A policy offered to
18 employees and retirees by the State Employees' Insurance
19 Board, in lieu of or in addition to coverage in the basic
20 medical plan of the State Employees' Health Insurance Plan,
21 that provides a defined set of benefits.

22 "(15) THIRD PARTY ADMINISTRATOR. An entity
23 contracted by the State Employees' Insurance Board to provide
24 certain administrative services as it deems appropriate and
25 necessary to carry out its obligations under this chapter.

26 "(16) YEARS OF CREDITABLE COVERAGE. The number of
27 years and months that an employee is covered under the State

1 Employees' Health Insurance Plan prior to retirement as
2 determined by the State Employees' Insurance Board, including
3 any periods of full-time permanent employment subsequent to
4 retirement up to a maximum of five years. Creditable coverage
5 shall also include months and years: (1) Related to service in
6 the United States Armed Forces; (2) as a part-time employee
7 prior to October 1, 2005; (3) as an employee as defined in
8 Sections 16-25A-1 and 16-25A-11; (4) as a full time employee
9 of a local legislative delegation office which participates in
10 the Employees' Retirement System if the employee is under the
11 state employees' insurance plan on June 14, 2011; (5) as an
12 employee of a postsecondary institution eligible for Public
13 Education Employees' Health Insurance Plan coverage as a
14 retiree whether the institution participates in the Public
15 Education Employees' Health Insurance Plan or has its own plan
16 of insurance for active employees, provided the postsecondary
17 institution contributes an amount to the State Employees
18 Insurance Fund for each of its retired employees equal to any
19 amount appropriated by the state to fund benefits for retired
20 employees as determined by the State Employees' Insurance
21 Board; or (6) as a juvenile probation officer provided that
22 the Administrative Office of Courts contributes an amount to
23 the State Employees Insurance Fund for each retired juvenile
24 probation officer equal to any amount appropriated by the
25 state to fund benefits for retired employees as determined by
26 the State Employees' Insurance Board. For employees of the
27 Alabama State Port Authority and the USS Alabama Battleship

1 Commission, the term years of creditable coverage shall mean
2 the sum of the number of years and months of creditable
3 service as determined by the Employees' Retirement System, the
4 Teachers' Retirement System, or the Judicial Retirement System
5 with regard to any periods of time during which such employee
6 was employed under the Merit System plus the number of years
7 and months of creditable service as determined by the State
8 Employees' Insurance Board with regard to any period of time
9 during which such employee was employed by the Alabama State
10 Port Authority or by the USS Alabama Battleship Commission as
11 a non-Merit System employee.

12 "(17) YEARS OF SERVICE. The number of years and
13 months of creditable service by an employee prior to
14 retirement as determined by the Employees' Retirement System,
15 Teachers' Retirement System, or Judicial Retirement System
16 including any periods of full time permanent employment
17 subsequent to retirement up to a maximum of five years. Except
18 for creditable service related to service in the United States
19 Armed Forces, or as an employee as defined in Sections
20 16-25A-1 and 16-25A-11, or as an employee of a postsecondary
21 institution eligible for PEEHIP coverage as a retiree whether
22 the institution participates in PEEHIP or has its own plan of
23 insurance for active employees, the State Employees' Insurance
24 Board may exclude from years of service any years and months
25 of creditable service it determines was not related to service
26 as an employee as defined in Section 36-29-1. For employees of
27 the Alabama State Port Authority and the USS Alabama

1 Battleship Commission, the term years of service shall mean
2 the sum of the number of years and months of creditable
3 service as determined by the Employees' Retirement System, the
4 Teachers' Retirement System, or the Judicial Retirement System
5 with regard to any periods of time during which such employee
6 was employed under the Merit System plus the number of years
7 and months of creditable service as determined by the State
8 Employees' Insurance Board with regard to any period of time
9 during which such employee was employed by the Alabama State
10 Port Authority or by the USS Alabama Battleship Commission as
11 a non-Merit System employee."

12 Section 2. This act shall become retroactive,
13 effective to July 1, 2008.