

SENATE BILL No. 309

DIGEST OF INTRODUCED BILL

Citations Affected: IC 22-2-18.

Synopsis: Family leave insurance program. Requires the department of insurance to establish, not later than January 1, 2019, a family leave insurance program (program) for the purpose of providing benefits to employees who elect to participate in the program. Requires that: (1) the program be voluntary for both employers and employees; (2) both employers and employees make contributions to the program to fund benefits; (3) employee contributions be made by payroll deduction; (4) the benefit eligibility requirements established for the program include, at a minimum, the requirements that qualify an employee for leave under the federal Family and Medical Leave Act; and (5) an employee have the option to select whether the employee's benefit is equal to 100%, 75%, or 50 % of the employee's salary and the number of weeks that a benefit will be paid. Requires the department of insurance to develop the program with the assistance of and in coordination with the department of labor. Requires the department of insurance, not later than November 1, 2018, to submit a report to the legislative council and the budget committee concerning the proposed program. Establishes the family leave insurance program trust fund (trust fund) for the purpose of paying program benefits. Transfers and appropriates the balance in the political subdivision risk management fund to the trust fund.

Effective: July 1, 2018.

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January 4, 2018, read first time and referred to Committee on Insurance and Financial Institutions.



Second Regular Session 120th General Assembly (2018)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2017 Regular Session of the General Assembly.

SENATE BILL No. 309

A BILL FOR AN ACT to amend the Indiana Code concerning labor and safety and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 22-2-18 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2018]:

4 **Chapter 18. Family Leave Insurance Program**

5 **Sec. 1. As used in this chapter, "Act" refers to the federal**
6 **Family and Medical Leave Act of 1993 (29 U.S.C. 2601 et seq.), as**
7 **amended.**

8 **Sec. 2. As used in this chapter, "department" refers to the**
9 **department of insurance created by IC 27-1-1-1.**

10 **Sec. 3. As used in this chapter, "employee" means a person who**
11 **works directly for another person under an express or implied**
12 **contract of hire.**

13 **Sec. 4. As used in this chapter, "employer" has the meaning set**
14 **forth in IC 6-3-1-5. The term includes the state and its political**
15 **subdivisions.**

16 **Sec. 5. As used in this chapter, "program" refers to the family**
17 **leave insurance program established by section 7 of this chapter.**



1 **Sec. 6.** As used in this chapter, "trust fund" refers to the family
2 leave insurance program trust fund established by section 9 of this
3 chapter.

4 **Sec. 7. (a)** Not later than January 1, 2019, the department shall
5 adopt provisions to establish a family leave insurance program for
6 the purpose of providing family leave insurance benefits to
7 employees who elect to participate in the program.

8 **(b)** In developing the program described in subsection (a), the
9 department shall request assistance from and coordinate with the
10 department of labor created by IC 22-1-1-1.

11 **(c)** The department shall administer the program.

12 **(d)** The department may adopt rules under IC 4-22-2 that it
13 considers appropriate or necessary to administer the program.

14 **Sec. 8.** The department shall do at least the following in
15 establishing the program under section 7 of this chapter:

16 **(1)** Establish the minimum criteria for participation in the
17 program by both employers and employees, including the
18 following:

19 **(A)** The program must be voluntary for both employers
20 and employees.

21 **(B)** An employee may participate in the program only if
22 the employee's employer participates in the program.

23 **(2)** Require each employer and employee that elects to
24 participate in the program to contribute at a rate that is
25 sufficient to fund the program, including benefits paid and
26 reasonable expenses incurred. The department shall
27 determine the rates at least annually.

28 **(3)** Require each participating employee to make the
29 employee's required contributions by payroll deduction.

30 **(4)** Establish benefit eligibility requirements that include, at
31 a minimum, the requirements that qualify an employee for
32 leave under the Act.

33 **(5)** Allow an employee the option to select both the benefit
34 amount and the number of weeks that the benefit will be paid
35 to the employee under the program. The department shall
36 offer benefit levels of one hundred percent (100%),
37 seventy-five percent (75%), and fifty percent (50%) of an
38 employee's salary.

39 **Sec. 9. (a)** The family leave insurance program trust fund is
40 established for the purpose of paying program benefits under this
41 chapter. Expenditures from the trust fund may be made only to
42 carry out the purposes of this chapter. The department shall



- 1 administer the trust fund.
- 2 (b) The trust fund consists of:
- 3 (1) money received by the department from employer and
- 4 employee contributions;
- 5 (2) the balance from the political subdivision risk
- 6 management fund transferred and appropriated as described
- 7 in section 10 of this chapter; and
- 8 (3) money received from any other source.
- 9 (c) The expenses of administering the trust fund shall be paid
- 10 from money in the trust fund.
- 11 (d) The treasurer of state shall invest the money in the trust
- 12 fund not currently needed to meet the obligations of the trust fund
- 13 in the same manner as other public money may be invested.
- 14 Interest that accrues from these investments shall be deposited at
- 15 least quarterly into the trust fund.
- 16 (e) Money in the trust fund at the end of a state fiscal year does
- 17 not revert to the state general fund.
- 18 Sec. 10. (a) As used in this section, "risk management fund"
- 19 refers to the political subdivision risk management fund
- 20 established by IC 27-1-29-10.
- 21 (b) Not later than January 1, 2019, the auditor of state shall
- 22 transfer the balance in the risk management fund to the family
- 23 leave insurance program trust fund established under section 9 of
- 24 this chapter for the department's use in carrying out the purposes
- 25 of this chapter.
- 26 (c) For state fiscal years beginning after June 30, 2018, there is
- 27 appropriated to the family leave insurance program trust fund
- 28 established under section 9 of this chapter the balance transferred
- 29 from the risk management fund under subsection (b) for the
- 30 department's use in carrying out the purposes of this chapter.
- 31 Sec. 11. Not later than November 1, 2018, the department shall
- 32 submit a report in an electronic format under IC 5-14-6 to the
- 33 legislative council and to the budget committee (established by
- 34 IC 4-12-1-3(b)) concerning the department's proposed program,
- 35 including any legislative changes needed to implement the
- 36 program.

