

1 HB611
2 142048-3
3 By Representatives Buskey and Gaston
4 RFD: State Government
5 First Read: 22-MAR-12

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

ENROLLED, An Act,

To amend Section 36-29-1, as amended by Act 2011-698 of the 2011 Regular Session (Acts 2011, p. 2141), Code of Alabama 1975, relating to the State of Alabama; to alter the definition of "years of creditable coverage" for employees of the USS Alabama Battleship Commission; and to provide for retroactive effect to July 1, 2008.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

"§36-29-1.

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

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

"(2) CLASS. An employee or retiree shall be included in one of the following classes: (i) active employee single, (ii) active employee family, (iii) non-Medicare retiree single, (iv) non-Medicare retiree family, (v) Medicare retiree single, (vi) Medicare retiree family, (vii) non-Medicare retiree with Medicare eligible dependent(s), or (viii) 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 Alabama
7 state agency for surplus property other than those employees
8 covered by the federal Railroad Retirement Act. Full-time
9 employees of the county health department in all counties
10 having populations of not less than 300,000 nor more than
11 500,000 shall also be included in the definition of employee
12 for the purpose of this chapter, and the health department of
13 any such county is hereby authorized to pay the employer's
14 share of any contributions to the retirement fund; provided
15 further, that any district attorney or full-time employees in
16 the district attorney's office, of any judicial circuit shall
17 be included in the definition of employee for the purpose of
18 this chapter, and the respective judicial circuits are hereby
19 authorized to pay the employer's share of any contribution
20 therefor and any person employed part time by the State of
21 Alabama on a wage and hourly basis, excluding fee
22 compensations and other like arrangements, shall be included
23 in the definition of employee as defined in this chapter
24 provided such person shall agree to have deducted from his or
25 her hourly wage, as stipulated, a pro rata portion of the

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

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

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

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

1 "(7) HEALTH INSURANCE PREMIUM. The total health
2 insurance cost under the State Employees' Health Insurance
3 Plan with respect to each class of employees or retirees.
4 Individual premiums may include adjustments and surcharges for
5 (i) family size including, but not limited to, a husband and
6 wife both being covered by the State Employees' Health
7 Insurance Plan, (ii) spouse's eligibility for other health
8 insurance, (iii) smokers and users of tobacco products, (iv)
9 preventative care and wellness care participation, and (v) any
10 such other categories of risk that the board shall approve.

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

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

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

24 "(11) RETIREE. An employee who retires from the
25 service of the State of Alabama, who, at the time of such

1 retirement has at least 10 years of creditable coverage, meets
2 the criteria set out in this chapter and who, following such
3 retirement, draws a monthly benefit from the Employees'
4 Retirement System of Alabama, the Judicial Retirement System
5 of Alabama, the Teachers' Retirement System of Alabama, or the
6 Alabama State Port Authority.

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

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

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

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

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

1 employees as determined by the State Employees' Insurance
2 Board; ~~or~~ (6) as a juvenile probation officer provided that
3 the Administrative Office of Courts contributes an amount to
4 the State Employees Insurance Fund for each retired juvenile
5 probation officer equal to any amount appropriated by the
6 state to fund benefits for retired employees as determined by
7 the State Employees' Insurance Board; or (7) as an employee of
8 the USS Alabama Battleship Commission provided that the USS
9 Alabama Battleship Commission contributes an amount to the
10 State Employees Insurance Fund for each retired employee of
11 the USS Alabama Battleship Commission equal to any amount
12 appropriated by the state to fund benefits for retired
13 employees as determined by the State Employees' Insurance
14 Board. For employees of the Alabama State Port Authority, the
15 term years of creditable coverage shall mean the sum of the
16 number of years and months of creditable service as determined
17 by the Employees' Retirement System, the Teachers' Retirement
18 System, or the Judicial Retirement System with regard to any
19 periods of time during which such employee was employed under
20 the Merit System plus the number of years and months of
21 creditable service as determined by the State Employees'
22 Insurance Board with regard to any period of time during which
23 such employee was employed by the Alabama State Port Authority
24 as a non-Merit System employee.

1 "(17) YEARS OF SERVICE. The number of years and
2 months of creditable service by an employee prior to
3 retirement as determined by the Employees' Retirement System,
4 Teachers' Retirement System, or Judicial Retirement System
5 including any periods of full time permanent employment
6 subsequent to retirement up to a maximum of five years. Except
7 for creditable service related to service in the United States
8 Armed Forces, or as an employee as defined in Sections
9 16-25A-1 and 16-25A-11, or as an employee of a postsecondary
10 institution eligible for PEEHIP coverage as a retiree whether
11 the institution participates in PEEHIP or has its own plan of
12 insurance for active employees, the State Employees' Insurance
13 Board may exclude from years of service any years and months
14 of creditable service it determines was not related to service
15 as an employee as defined in Section 36-29-1. For employees of
16 the Alabama State Port Authority, the term years of service
17 shall mean the sum of the number of years and months of
18 creditable service as determined by the Employees' Retirement
19 System, the Teachers' Retirement System, or the Judicial
20 Retirement System with regard to any periods of time during
21 which such employee was employed under the Merit System plus
22 the number of years and months of creditable service as
23 determined by the State Employees' Insurance Board with regard
24 to any period of time during which such employee was employed

1 by the Alabama State Port Authority as a non-Merit System
2 employee."

3 Section 2. This act shall become effective
4 immediately, retroactive to July 1, 2008.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17

Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in
and was passed by the House 24-APR-12, as amended.

Greg Pappas
Clerk

Senate

16-MAY-12

Amended and Passed

House

16-MAY-12

Concurred in Sen-
ate Amendment