

2017 -- H 6027

LC002279

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

A N A C T

RELATING TO PUBLIC OFFICERS AND EMPLOYEES -- INSURANCE BENEFITS

Introduced By: Representatives Vella-Wilkinson, Jacquard, Bennett, Solomon, and Shanley

Date Introduced: March 30, 2017

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 36-12-4 of the General Laws in Chapter 36-12 entitled "Insurance
2 Benefits" is hereby amended to read as follows:

3 **36-12-4. Coverage of Non-Medicare-eligible retired employees.**

4 (a) Non-Medicare-eligible retired employees who retired on or before September 30,
5 2008. Any retired employee who retired on or before September 30, 2008 shall be entitled, until
6 attaining Medicare eligibility, to be covered under §§ 36-12-1 -- 36-12-5 for himself and herself
7 and, if he or she so desires, his or her non-Medicare-eligible dependents, upon agreeing to pay the
8 total cost of his or her contract at the group rate for active state employees. Payments of any non-
9 Medicare-eligible retired employee for coverage shall be deducted from his or her retirement
10 allowance and remitted from time to time in payment for such contract. In addition, any retired
11 employee who retired on or before September 30, 2008 shall be permitted to purchase coverage
12 for his or her non-Medicare-eligible dependents upon agreeing to pay the additional cost of the
13 contract at the group rate for active state employees. Payment for coverage for these dependents
14 shall be deducted from his or her retirement allowances and remitted as required in payment for
15 the contract.

16 (b) Non-Medicare-eligible state retirees who retired subsequent to July 1, 1989, and on or
17 before September 30, 2008. Non-Medicare-eligible state retirees who retired subsequent to July 1,
18 1989, and on or before September 30, 2008, from active service of the state, and who were
19 employees of the state as determined by the retirement board under section 36-8-1, shall be

1 entitled to receive for himself or herself non-Medicare-eligible a retiree health care insurance
 2 benefit as described in section 36-12-1 in accordance with the following formula:

3	Years of	Age	State's Share	Employee's
4	Service	at Retirement		Share
5	10-15	60	50%	50%
6	16-22	60	70%	30%
7	23-27	60	80%	20%
8	28+	--	90%	10%
9	28+	60	100%	0%
10	35+	any	100%	0%

11 If the retired employee is receiving a subsidy on September 30, 2008, the state will
 12 continue to pay the same subsidy share until the retiree attains age sixty-five (65). Until
 13 December 31, 2013, when the state retiree reaches that age which will qualify him or her for
 14 Medicare supplement, the formula shall be:

15	Years of Service	State's Share	Employee's Share
16	10 - 15	50%	50%
17	16 - 19	70%	30%
18	20 - 27	90%	0%
19	28+	100%	0%

20 (c) Non-Medicare-eligible retired employees who retire on or after October 1, 2008. Any
 21 retired employee who retires on or after October 1, 2008 shall be entitled, until attaining
 22 Medicare eligibility, to be covered under §§ 36-12-1 -- 36-12-5 for himself and herself and, if he
 23 or she so desires, his or her non-Medicare-eligible dependents, upon agreeing to pay the total cost
 24 of the contract in the plan in which he or she enrolls. Payments of any non-Medicare-eligible
 25 retired employee for coverage shall be deducted from his or her retirement allowance and
 26 remitted from time to time in payment for such contract. Any retired employee who retires on or
 27 after October 1, 2008, shall be permitted to purchase coverage for his or her non-Medicare-
 28 eligible dependents upon agreeing to pay the additional cost of the contract at the group rate for
 29 the plan in which the dependent is enrolled. Payment for coverage for dependents shall be
 30 deducted from the retired employee's retirement allowances and remitted as required in payment
 31 for the contract. The Director of Administration shall develop and present to the chairpersons of
 32 the House Finance Committee and the Senate Finance Committee by May 23, 2008 a retiree
 33 health plan option or options to be offered to retirees eligible for state-sponsored medical
 34 coverage who are under age sixty-five (65) or are not eligible for Medicare. This plan will have a

1 reduced benefit level and will have an actuarially based premium cost not greater than the
2 premium cost of the plan offered to the active state employee population. This new plan option
3 will be available to employees retiring after September 30, 2008, and their dependents.

4 (d) Non-Medicare-eligible state retirees who retire on or after October 1, 2008. Non-
5 Medicare-eligible state retirees who retire on or after October 1, 2008 from active service of the
6 state, and who were employees of the state as determined by the retirement board under § 36-8-1,
7 and who have a minimum of twenty (20) years of service, and who are a minimum of fifty-nine
8 (59) years of age, shall be entitled to receive for himself or herself a non-Medicare-eligible retiree
9 health care insurance benefit as described in § 36-12-1. The state will subsidize 80% of the cost
10 of the health insurance plan for individual coverage in which the state retiree is enrolled in.
11 Payments for coverage shall be deducted from his or her retirement allowance and remitted from
12 time to time in payment for such contract. Correctional officers as defined in §36-10-9.2 who
13 have a minimum of twenty-five (25) years of service, and who are a minimum of fifty-five (55)
14 years of age, shall be entitled to receive for themselves a non-Medicare-eligible retiree health care
15 insurance benefit as described in §36-12-1.

16 (e) Medicare-eligible state retirees who retire on or after October 1, 2008. Until
17 December 31, 2013, the state shall subsidize eighty percent (80%) of the cost of the Medicare-
18 eligible health insurance plan for individual coverage in which the state retiree is enrolled,
19 provided the employee retired on or after October 1, 2008; has a minimum of twenty (20) years of
20 service; and is a minimum of fifty-nine (59) years of age. Payments for coverage shall be
21 deducted from his or her retirement allowance and remitted from time to time in payment for such
22 health insurance plan.

23 (f) Retired employees, including retired teachers, who are non-Medicare-eligible and who
24 reach the age of sixty-five (65) shall be allowed to continue to purchase group health care
25 insurance benefits in the same manner as those provided to retired employees who have not
26 reached the age of sixty-five (65).

27 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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1 This act would entitle correctional officers with twenty-five (25) years of service and
2 who are at least fifty-five (55) years of age to a non-Medicare-eligible retiree health care
3 insurance benefit.

4 This act would take effect upon passage.

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