

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 173

BY STATE AFFAIRS COMMITTEE

AN ACT

RELATING TO THE DEPARTMENT OF ADMINISTRATION AND GROUP INSURANCE;
AMENDING SECTION 67-5333, IDAHO CODE, TO REVISE PROVISIONS
RELATING TO THE USE OF UNUSED SICK LEAVE BY THE IDAHO PUBLIC
EMPLOYEE RETIREMENT BOARD TO PAY CERTAIN INSURANCE PREMIUMS;
AMENDING SECTION 67-5761, IDAHO CODE, TO REVISE POWERS AND DUTIES
OF THE DIRECTOR OF THE DEPARTMENT OF ADMINISTRATION REGARDING
GROUP INSURANCE AND TO REVISE PROVISIONS RELATING TO GROUP
INSURANCE COVERAGE FOR CERTAIN RETIREES; AND DECLARING AN
EMERGENCY.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 67-5333, Idaho Code, be, and the same is hereby amended to
read as follows:

67-5333. SICK LEAVE. (1) Sick leave shall be computed as follows:

(a) The rate per hour at which sick leave shall accrue to classified officers and employees
earning credited state service shall be at the rate represented by the proportion 96/2080.
Sick leave shall accrue without limit, and shall be transferable from department to
department.

(b) Sick leave shall not accrue to any officer or employee on any kind of leave of
absence without pay, suspension without pay or layoff. Sick leave shall accrue while
an officer or employee is on approved leave with pay, on approved vacation leave, on
approved military leave with pay, and on approved sick leave, but not when compensatory
time is taken.

(c) All accrued sick leave shall be forfeited at the time of separation from state service
and no officer or employee shall be reimbursed for accrued sick leave at the time of
separation, except as provided in subsection (2) of this section. If such officer or
employee returns to credited state service within three (3) years of such separation, all
sick leave credits accrued at the time of separation shall be reinstated, except to the extent
that unused sick leave was utilized for the purposes specified in subsection (2) of this
section.

(d) Sick leave shall be taken on a workday basis. Regularly scheduled days off and
officially designated holidays falling within a period of sick leave shall not be counted
against sick leave. Sick leave shall not be taken in advance of being earned and shall
only be taken in pay periods subsequent to being earned.

(e) In cases where absences for sick leave exceed three (3) consecutive working days,
the appointing authority may require verification by a physician or other authorized
practitioner.

(f) If an absence for illness or injury extends beyond the sick leave accrued to the credit of the officer or employee, the officer or employee may be granted leave without pay.

(g) The administrator shall prescribe additional requirements for sick leave for classified officers and employees on a part-time or irregular schedule, for maintaining sick leave records, for funeral leave, and such other applicable purposes as necessary.

(2) Unused sick leave may be used as follows:

(a) Upon separation from state employment by retirement in accordance with chapter 13, title 59 or chapter 1, title 33, Idaho Code, an employee's unused sick leave shall be determined based on accumulated sick leave earned subsequent to July 1, 1976, and shall be reported by the employer to the public employee retirement system. Upon separation from state employment by retirement in accordance with chapter 20, title 1, Idaho Code, an employee's unused sick leave shall be determined based on accumulated sick leave earned subsequent to July 1, 2000, and shall be reported by the employer to the public employee retirement system. A sum equal to one-half (1/2), or the maximum amount allowed by paragraph (b) of this subsection (2), whichever is the lesser, of the monetary value of such unused sick leave, calculated at the rate of pay for such employee at the time of retirement, as determined by the retirement board, shall be transferred from the sick leave account provided by paragraph (c) of this subsection (2) and shall be credited to such employee's retirement account. Such sums shall be used by the Idaho public employee retirement board to pay premiums, as permitted by and subject to applicable federal tax laws and limits, for such ~~group~~ health, dental, vision, long-term care, prescription drug and life insurance programs as may be maintained by the state, to the extent of the funds credited to the employee's account pursuant to this section. Upon an employee's death, any unexpended sums remaining in the account shall revert to the sick leave account.

(b) For the purposes of determining the monetary value of unused sick leave, the maximum unused sick leave which may be considered, shall be:

(i) During the first ten thousand four hundred (10,400) hours of credited state service, the maximum unused sick leave which may be considered shall be four hundred twenty (420) hours;

(ii) During the second ten thousand four hundred (10,400) hours of credited state service, the maximum unused sick leave which may be considered shall be four hundred eighty (480) hours;

(iii) During the third ten thousand four hundred (10,400) hours of credited state service, the maximum unused sick leave which may be considered shall be five hundred forty (540) hours; and

(iv) Thereafter, the maximum unused sick leave which may be considered shall be six hundred (600) hours.

(c) Each employer in state government shall contribute to a sick leave account maintained by the public employee retirement system in trust exclusively for the purpose of the provisions of this section. The retirement board shall serve as trustee of the trust and shall be indemnified to the same extent as provided in section 59-1305, Idaho Code. Assets in the trust shall not be assignable or subject to execution, garnishment or attachment or to the operation of any bankruptcy or insolvency law. The rate of such contribution each pay period shall consist of a percentage of employees' salaries as determined by the board, and such rate shall remain in effect until next determined by the

board. Any excess balance in the sick leave account shall be invested, and the earnings therefrom shall accrue to the sick leave account except the amount required by the board to defray administrative expenses. Assets of the trust may be commingled for investment purposes with other assets managed by the retirement board. All moneys payable to the sick leave account are hereby perpetually appropriated to the board, and shall not be included in its departmental budget. The state insurance fund and public health districts shall be considered employers in state government for purposes of participation under this section.

SECTION 2. That Section 67-5761, Idaho Code, be, and the same is hereby amended to read as follows:

67-5761. POWERS AND DUTIES – GROUP INSURANCE. (1) The director of the department of administration shall ~~have the authority to:~~

(a) Establish an advisory committee to be comprised of program participants from the executive, legislative and judicial branches of state government. The advisory committee ~~may~~ shall include one (1) active and one (1) retired employee representatives. The director shall consult with the advisory committee in the performance of those duties as enumerated in subsection (2) of this section.

(b) ~~Fix and p~~Promulgate rules for determining eligibility of active personnel, retired personnel and dependents of such active and retired personnel for participation in any group plans.

(c) Determine the nature and extent of needs for group life insurance, group annuities, group disability insurance, and group health care service coverages with respect to personnel, including elected or appointed officers and employees, of all offices, departments, divisions, boards, commissions, institutions, agencies and operations of the government of the state of Idaho and retired personnel, the premiums or prepayments for which are payable in whole or in part from funds of the state. "Disability" insurance includes all personal accident, health, hospital, surgical, and medical coverages, and "health care service" includes all services rendered for maintenance of good health and diagnosis, relief, or treatment of any injury, ailment, or bodily condition.

(d) Determine the types, terms, conditions, and amounts of group insurance, group annuities, or group coverage by health care service organizations, as the case may be, required by such needs.

(e) Negotiate and contract for, and have placed or continued in effect all such insurance and coverages as may reasonably be obtainable from insurers and health care service organizations, as the case may be, duly authorized to transact such business in this state. The director may negotiate deductibles to any group plan or coverage. Alternatively, the director may self-insure any insurance or coverage and may contract with any insurance company or third party administrator duly authorized to transact business in this state or administer such plan.

(f) Prepare or otherwise obtain and make available to all personnel affected thereby, printed information concerning all such group plans currently in effect, together with the rules governing eligibility, payment of premium or prepayment where applicable, claims procedures, and other matters designed to facilitate utilization and administration of such plans.

(g) Administer all such group plans on behalf of the insured, including but not limited to:

- (i) Enrollment and reporting to the insurer or health care service organization of individuals eligible for coverage and covered under particular policies or contracts, and termination of such enrollment upon termination of eligibility;
- (ii) Collection or payment of premiums or prepayments for such coverage, policies and contracts and accounting for the same;
- (iii) Establishment of reasonable procedures for handling claims arising under such coverage, policies and contracts, and rendering assistance to claimants, as may be required in the presentation and consideration of claims;
- (iv) Effectuation of changes in such coverage, policies and contracts and renewal or termination thereof;
- (v) Making and settlement of claims.

~~(2) Nothing herein shall be deemed to prohibit any such coverage, policy or contract providing coverage also for dependents of personnel under terms and conditions formulated and negotiated by the director.~~ The director shall formulate and negotiate a plan or plans of health care service coverage which includes eligible active personnel and their dependents in consultation with the advisory committee.

(3) The director shall formulate and negotiate a plan or plans of health care service coverage which includes eligible retired personnel and dependents. eligible for a retirement benefit through the Idaho public employee retirement system which benefit equals or exceeds the retiree medical insurance premium in effect for that retiree at the date of retirement. Coverage for retired personnel shall parallel the coverage provided to active state employees to the extent necessary, and shall include a medicare credit for retirees who are covered by medicare. Any increased cost on the health care plan for active employees as a result of such coverage costs shall be paid for by the state and by active state employees in equal shares. Retired personnel shall be responsible for paying their own premiums for any plan of health care service insurance coverage provided pursuant to this section. Such plan or plans will be pooled for rating purposes with the plan or plans provided for in subsection (2) of this section.

(a) Beginning July 1, 2009, the state shall pay one hundred fifty-five dollars (\$155) per eligible retired personnel per month toward such health care service coverage, subject to the conditions of subsection (3)(b) of this section. Retired personnel shall be responsible for paying the balance of the monthly premium for any plan of health care service coverage provided pursuant to this section.

(b) Beginning January 1, 2010, retired personnel health care service coverage shall not be available to any retired personnel or dependent who is or becomes eligible for medicare. Dependent spouses of such medicare eligible retired personnel who are not themselves medicare eligible may remain on health care service coverage until they become eligible for medicare.

(c) Any person who is eligible for health care service coverage as a retired person prior to June 30, 2009, remains eligible for coverage subject to the conditions of subsections (3)(a) and (b) of this section.

(d) No personnel, including elected or appointed officers and employees, of all offices, departments, divisions, boards, commissions, agencies and operations of the government of the state of Idaho, who begin service or employment after June 30, 2009, shall be provided or be eligible for any retired personnel health care service coverage, unless such personnel have credited state service of at least twenty thousand eight hundred (20,800) hours before June 30, 2009, and subsequent to reemployment, election or reappointment

1 on or after July 1, 2009, accumulate an additional six thousand two hundred forty (6,240)
 2 continuous hours of credited state service, and who are otherwise eligible for coverage.

3 (e) Nothing in this subsection prohibits an active employee who retires from state service
 4 on or after July 1, 2009, from being eligible for health care service coverage provided that
 5 he or she is drawing a state retirement benefit and meets eligibility requirements of the
 6 health care service coverage.

7 (f) The Idaho department of administration shall assist medicare eligible retirees in
 8 transitioning to a medicare supplement plan in accordance with procedures established by
 9 the advisory committee.

10 (4) Nothing contained herein and n~~No~~ coverage, policy or contract which provides
 11 coverage or benefits for active personnel, dependents of personnel, or retired personnel shall
 12 create any vested right or benefit for ~~the retired personnel~~ any such individual in ~~retiree~~ group
 13 insurance coverages.

14 SECTION 3. An emergency existing therefor, which emergency is hereby declared to
 15 exist, this act shall be in full force and effect on and after its passage and approval.