

2025 Regular Session

HOUSE BILL NO. 515

BY REPRESENTATIVE ZERINGUE

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

INSURANCE/GROUP-STATE: To provide for the cost share of certain insurance premiums for programs sponsored by the state's Office of Group Benefits

1 AN ACT

2 To amend and reenact R.S. 17:81(Z)(2) and R.S. 42:851(E)(1)(introductory paragraph) and
3 (F) through (V) and to enact R.S. 42:851(W), relative to the state's Office of Group
4 Benefits; to provide relative to the establishment of the state's obligation for
5 premiums on certain retirees; to provide for applicability; to make technical
6 corrections; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 17:81(Z)(2) is hereby amended and reenacted to read as follows:

9 §81. General powers of local public school boards

10 * * *

11 Z.

12 * * *

13 (2) Each city, parish, or other local school board to which R.S. 42:851
14 applies shall provide the health insurance coverage required pursuant to R.S.
15 42:851(~~⊕~~) (V).

16 * * *

17 Section 2. R.S. 42:851(E)(1)(introductory paragraph) and (F) through (V) and are
18 hereby amended and reenacted and R.S. 42:851(W) is hereby enacted to read as follows:

1 §851. Authority for employee benefit programs; payroll deduction for payment of
2 premiums

3 * * *

4 E.(1) Notwithstanding any other provision of this Part to the contrary, and
5 except as provided in Subsection (F) of this Section, for any person who is an active
6 employee as defined by R.S. 42:808 and who does not participate in the Office of
7 Group Benefits program provided by this Part before January 1, 2002, but
8 subsequently enrolls in the program, or for any person who is hired on or after
9 January 1, 2002, who meets the definition of employee as provided by R.S. 42:808
10 the state contribution of the total premium shall, upon retirement, be:

11 * * *

12 F. (1) Notwithstanding any other provision of this Part to the contrary, on
13 and after January 1, 2026, any person who is an active employee as defined by R.S.
14 42:808 who meets the criteria established pursuant to Paragraph (E)(1) of this
15 Section and who has at least twenty-five years of full-time state employment, shall
16 have the state contribution of his total premium upon retirement calculated pursuant
17 to Paragraph (E)(1) or this Paragraph, whichever results in a higher contribution for
18 the state:

19 (a) Fifty-six percent for those persons with at least fifteen years but less than
20 sixteen years of participation in the Office of Group Benefits program before
21 retirement.

22 (b) Fifty-eight percent for those persons with at least sixteen years but less
23 than seventeen years of participation in the Office of Group Benefits program before
24 retirement.

25 (c) Sixty percent for those persons with at least seventeen years but less than
26 eighteen years of participation in the Office of Group Benefits program before
27 retirement.

1 (d) Sixty-five percent for those persons with at least eighteen years but less
2 than nineteen years of participation in the Office of Group Benefits program before
3 retirement.

4 (e) Seventy percent for those persons with at least nineteen years but less
5 than twenty years of participation in the Office of Group Benefits program before
6 retirement.

7 (2) The provisions of this Subsection shall not affect the contributions paid
8 by the state for any retiree covered under this Part prior to January 1, 2026.

9 G. The contributions of employees, officials, or department heads to the
10 premiums for such benefits may be deducted by the employer from the salaries of
11 the employees, officials, or department heads when authorized in writing by the
12 respective persons. However, the amount paid toward the premium by the state or
13 any of its governmental and administrative subdivisions, departments, or agencies
14 and the governing boards and authorities of each state university, college, or public
15 elementary and secondary school system of the state shall be subject to the approval
16 of the office.

17 ~~G.~~ H. No reductions of state contributions shall be made on contracts
18 heretofore written and continued in force, and, in addition, the premiums shall be
19 paid out of funds appropriated for the purpose and included in the respective budgets
20 of the state or other entity.

21 ~~H.~~ I.(1) Nothing herein shall be construed as limiting the authority of the
22 office to adopt, administer, or operate or to contract for all or a portion of the
23 administration, operation, or both of a primary self-funded program or additional
24 programs with premium rate structures and state contribution rates which are
25 different from the primary program.

26 (2) Under any such self-funded program the office, for purposes of
27 establishing rates and premiums, may group risks into multiple classifications. There
28 may be one classification for employees of state departments and agencies; there
29 may be one classification for employees of eligible school boards; there may be one

1 classification for employees of eligible political subdivisions and other public
2 entities of the state; and there may be one or more classifications for retirees.

3 (3) For the purposes of this Subsection, the classification of state
4 departments and agencies shall mean that group of eligible participants in the
5 executive, legislative, or judicial branch of state government whose contributions for
6 premiums are paid in whole or in part through appropriations by the legislature. The
7 classification of school boards shall mean that group of eligible participants of city
8 or parish school systems which receive funding through the Minimum Foundation
9 Program. The classification of political subdivisions and other public entities shall
10 mean participants of all other entities eligible for the program under the provisions
11 of this Section not included in the classification of state departments and agencies
12 or the classification of school boards.

13 (4) The rates and premiums adopted for each classification shall take into
14 consideration the loss experience in the classification as well as other relevant
15 factors.

16 (5) If a state department or agency, school board, or political subdivision or
17 other public entity elects to participate in the state group health and accident
18 insurance program after participation in another group health and accident program,
19 the premium rate applicable to such employees and former employees intended to
20 be covered by the program shall be the greater of the premium rate based on the loss
21 experience of the group under the prior plan or the premium rate based on the loss
22 experience of the classification into which the group is entering.

23 (6) The rates so fixed shall not be excessive, inadequate, or unfairly
24 discriminatory and shall be uniform within each classification.

25 I. J. Notwithstanding any provision of law to the contrary, nothing herein
26 shall be construed to exclude city and parish school board members from eligibility
27 for participation as provided in R.S. 17:1223.

28 J. K. Notwithstanding any provision of law to the contrary, any eligible
29 entity which elects to participate in the life insurance coverage as provided in Part

1 II of Chapter 12 of Title 42 of the Louisiana Revised Statutes of 1950 shall also
2 participate in the group health and accident insurance coverage as provided in this
3 Part.

4 ~~K. L.~~ Notwithstanding any provision of law to the contrary, the employee
5 portion of the premium rate for active employees or retirees shall not be increased
6 to fund any deficit related to the provision of coverage. If a deficit is identified, the
7 minimum contribution by the state may be increased to fully fund such deficit.

8 ~~E. M.~~(1) School boards may pay from local funds any portion of the cost of
9 the group policy.

10 (2) Nothing in this Section shall be construed to require any school board to
11 use local funds to pay all or any portion of the cost of the group policy for
12 participating former employees now retired.

13 ~~M. N.~~(1) Notwithstanding any provision of law or any rule or regulation to
14 the contrary, the state of Louisiana shall continue to contribute its portion of the
15 premium or charges due under this Section for which an employee is granted leave
16 of absence without pay due to a service-related injury for a period not to exceed
17 twelve months. The state may contribute its portion of the premium and charges due
18 under this Section for which an employee is granted leave of absence without pay
19 due to active military duty or is granted leave without pay under the provisions of the
20 federal Family and Medical Leave Act.

21 (2) If the employee should suffer a job-related injury that meets the
22 definition of a total and permanent disability under the workers' compensation laws
23 of Louisiana, the state of Louisiana shall continue to contribute its portion of the
24 premiums or charges due under this Section until the employee becomes gainfully
25 employed or is placed on state disability retirement.

26 (3) However, such contribution shall not be made for any period during
27 which an employee is under a suspension from his employment without pay unless
28 reinstated.

1 (4) An employee who is granted leave of absence without pay for any reason
2 other than those enumerated above may continue participation in the Office of Group
3 Benefits program for a period not to exceed twelve months upon the employee's
4 payment of the full premium or charges due.

5 ~~N. O.~~ O. The Department of Insurance shall make an examination, at least once
6 every five years, of the health indemnity plan of the Office of Group Benefits
7 following the same guidelines applied to other health insurers, and report its findings
8 to the Joint Legislative Committee on the Budget along with any recommendations
9 for assuring plan solvency and quality.

10 ~~Θ. P.~~ P. Notwithstanding any provision of law to the contrary, any person who
11 is an active employee, as defined in R.S. 42:808(A)(1), of the state Department of
12 Education, special school district or the Department of Public Safety and
13 Corrections, office of youth services who was employed by such state agency on or
14 after January 1, 2002, but no later than March 29, 2004, who has participated in the
15 Office of Group Benefits continuously during his state employment who, prior to
16 such employment, was a professional and fully qualified employee of a city, parish,
17 or other local public school system in a position that required certification by the
18 state Department of Education and who participated in the group health insurance
19 program made available by the school system for not less than twenty years shall,
20 upon retirement, be eligible to maintain enrollment in the Office of Group Benefits
21 program with a state contribution of seventy-five percent of his premium.

22 ~~P. Q.~~ Q.(1) Any person who is eligible for and receives disability retirement
23 benefits from a retirement system created under the laws of this state shall receive
24 the same retiree health care premium subsidy as an individual who has participated
25 for twenty or more years in the Office of Group Benefits health care program. In
26 order to be eligible for the retiree health care premium subsidy, the person shall have
27 participated in health care programs sponsored by the Office of Group Benefits for
28 the number of years sufficient to earn disability retirement benefits.

1 (2)(a) Notwithstanding any provision of law to the contrary, a spouse who
2 is eligible for and receives survivor benefits from the State Police Retirement System
3 pursuant to R.S. 11:1316 or 1345.8 shall be eligible to participate in the Office of
4 Group Benefits health care program and receive the same health care premium
5 subsidy as a retiree who has participated for twenty or more years in the Office of
6 Group Benefits health care program. For the spouse to be eligible for the retiree
7 health care premium subsidy, the member shall have participated in health care
8 programs sponsored by the Office of Group Benefits for the number of years
9 sufficient to earn survivor retirement benefits. A spouse who did not meet the
10 qualifications for health care premium subsidy coverage pursuant to this Paragraph
11 due to the date of death of the member occurring prior to June 30, 2021, shall have
12 the option to select coverage no later than December 31, 2021.

13 (b) Notwithstanding any provision of law to the contrary, a child who has not
14 attained the age of twenty-six years or a child who has a disability or is mentally
15 incapacitated regardless of age who is eligible for and receives, or who was eligible
16 for and received, survivor benefits from the State Police Retirement System pursuant
17 to R.S. 11:1316 or 1345.8 shall be eligible to participate in the Office of Group
18 Benefits health care program and receive the same health care premium subsidy as
19 a retiree who has participated for twenty or more years in the Office of Group
20 Benefits health care program. For the child to be eligible for the retiree health care
21 premium subsidy, the member shall have participated in health care programs
22 sponsored by the Office of Group Benefits for the number of years sufficient to earn
23 survivor retirement benefits. A child who did not meet the qualifications for health
24 care premium subsidy coverage pursuant to this Paragraph due to the date of death
25 of the member occurring prior to June 30, 2021, shall have the option to select
26 coverage no later than December 31, 2021.

27 ~~Q. R.~~ Notwithstanding any provision of law to the contrary, any person who
28 is an active employee of the Jefferson Parish School System, or is employed as a
29 probation and parole officer with the Department of Public Safety and Corrections

1 on or before August 15, 1986, and participates in the Office of Group Benefits
2 program, who elects to take retirement within the Louisiana State Employees'
3 Retirement System pursuant to Act No. 194 of the 2004 Regular Session of the
4 Legislature, and who has participated in the Office of Group Benefits program
5 provided by this Part for at least ten years, shall, upon retirement, be eligible to
6 maintain enrollment in the Office of Group Benefits program with a state
7 contribution of seventy-five percent of his premium.

8 ~~R. S.~~ Notwithstanding any other provision of law to the contrary, persons
9 made eligible as part of a special group for participation in programs sponsored by
10 the Office of Group Benefits pursuant to R.S. 42:808(A)(11) may elect to participate
11 in group health insurance programs upon the end of their state service as provided
12 in R.S. 42:808(A)(11) provided they participated in a program of group health
13 insurance sponsored by the Office of Group Benefits for not less than ten
14 consecutive years prior to the end of their service. One hundred percent of the
15 premium cost for coverage of any person in such group electing to participate shall
16 be paid entirely by such person and shall be risk rated by the Office of Group
17 Benefits. The election to continue insurance coverage pursuant to this Subsection
18 must be made by the employee on or before the termination of the employee's
19 service and the payment of the premiums to be paid pursuant to this Subsection shall
20 begin on the date of termination.

21 ~~S. T.~~ Notwithstanding Paragraph (E)(1) of this Section or any provision of
22 law to the contrary, any person who retires within the Louisiana State Employees'
23 Retirement System and who elects to suspend his retirement benefits pursuant to the
24 laws applicable to that system shall be eligible to maintain enrollment in programs
25 sponsored by the Office of Group Benefits with the same contribution by the state
26 as was applicable to such person upon his retirement. If such person is reemployed
27 subsequent to his retirement, such contributions by the state shall be maintained
28 through the course of such person's reemployment and his subsequent retirement
29 thereafter.

1 ~~¶. U.(1)~~ Notwithstanding any provision of law to the contrary, any person
2 who retired on or after May 1, 2013, and on or before May 31, 2013, who
3 participated in health care programs sponsored by the Office of Group Benefits for
4 more than eighteen years, whose doctor certifies that on the date of his retirement he
5 was medically unable to perform his job duties shall, upon retirement, be eligible to
6 maintain enrollment in the Office of Group Benefits Program with a state
7 contribution of seventy-five percent of his premium, if the sum of his accumulated
8 unused leave on his retirement date plus his years of participation in the Office of
9 Group Benefits Program, rounded to the nearest year, is twenty years or more.

10 (2) Notwithstanding any provision of law to the contrary, any person who
11 is an employee, as defined in R.S. 42:808(A), who was employed by the Office of
12 Community Relations and Rural Development after January 1, 2004, who
13 subsequently becomes a state elected official as defined in R.S. 42:808(11)(b)(ii),
14 and who has participated in the Office of Group Benefits continuously during his
15 state employment, shall, upon retirement, be eligible to maintain enrollment in the
16 Office of Group Benefits program with a state contribution of his premium, as
17 provided in Subsection D of this Section.

18 ~~¶. V.(1)~~ Notwithstanding any other provision of law or any rule or
19 regulation to the contrary, health insurance coverage shall begin concurrent with
20 employment by a public elementary or secondary school system if all of the
21 following apply on the employee's first date of employment with that employer:

22 (a) The school system is in an area that is the subject of a gubernatorially or
23 presidentially declared disaster or emergency.

24 (b) The declaration of disaster or emergency specifies that the disaster or
25 emergency involves risks to the health or well-being of any individual who engages
26 in certain activities.

27 (c) Among the activities posing a risk to an individual's health or well-being
28 are activities integral to services to the school system that the employee is required
29 to perform.

1 (2) The premium for the first month's insurance shall be paid immediately.
2 The school system shall pay the employer contribution. The employee contribution
3 may be paid by the school system or the employee. If the school system pays the
4 employee contribution, the school system shall be reimbursed by a deduction from
5 the employee's wages.

6 ~~V.~~ W.(1) Notwithstanding any provision of law to the contrary, any person
7 who previously participated in health coverage programs sponsored by the Office of
8 Group Benefits as a dependent spouse of a deceased retiree immediately prior to
9 enrolling in Office of Group Benefits health coverage as an active employee shall,
10 upon termination from state service, be eligible to obtain Office of Group Benefits
11 health coverage as a surviving spouse, provided that all of the following conditions
12 are met:

13 (a) The person is enrolled in Office of Group Benefits health coverage as an
14 active employee as of July 1, 2024.

15 (b) The person remains enrolled in Office of Group Benefits health coverage
16 continuously until immediately prior to the date of termination.

17 (c) The person would have had surviving spouse coverage at the time of the
18 death of the retiree spouse but for his or her eligibility for coverage in a group health
19 plan other than Medicare.

20 (d) The person pays the requisite premiums.

21 (e) The person complies with any other applicable Office of Group Benefits
22 rules.

23 (2) A surviving spouse pursuant to this Subsection shall be entitled to
24 receive, in state contribution to premiums, the percentage of the total premium as
25 provided for in applicable Office of Group Benefits rules.

26 (3) Employer premium contributions for a person eligible to obtain Office
27 of Group Benefits coverage as a surviving spouse pursuant to this Subsection shall
28 be the responsibility of the school board, state agency, or political subdivision from
29 which the deceased retiree spouse originally retired.

1 (4) The dependent children of a person eligible to obtain Office of Group
 2 Benefits coverage as a surviving spouse pursuant to this Subsection may continue
 3 coverage in accordance with applicable rules promulgated by the Office of Group
 4 Benefits.

5 Section 3. This Act shall become effective on July 1, 2025; if vetoed by the governor
 6 and subsequently approved by the legislature, this Act shall become effective on July 1,
 7 2025, or on the day following such approval by the legislature, whichever is later.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 515 Original

2025 Regular Session

Zeringue

Abstract: Establishes an alternative cost share calculation for certain retiree insurance premiums for programs offered by the state's Office of Group Benefits (OGB).

Present law establishes the OGB to offer and administer group life and health insurance for state employees, retirees, and their dependents.

Present law establishes calculation of the state's portion of a retiree's insurance premium for employees that were hired on or after Jan. 1, 2002. Bases such calculation on the employee's years of participation in the OGB program prior to retirement as follows:

- (1) 19% for those persons with less than 10 years of participation in the OGB program before retirement.
- (2) 38% for those persons with 10 years of participation but less than 15 years of participation in the OGB program before retirement.
- (3) 56% for those persons with 15 years of participation but less than 20 years of participation in the OGB program before retirement.
- (4) 75% for those persons with 20 or more years of participation in the OGB program before retirement.

Proposed law retains present law and establishes an additional calculation for active employees who were hired after Jan. 1, 2002, and who have at least 25 years of full-time state employment as follows:

- (1) 56% for those persons with at least 15 years but less than 16 years of participation in the OGB program before retirement.
- (2) 58% for those persons with at least 16 years but less than 17 years of participation in the OGB program before retirement.
- (3) 60% for those persons with at least 17 years but less than 18 years of participation in the OGB program before retirement.

- (4) 65% for those persons with at least 18 years but less than 19 years of participation in the OGB program before retirement.
- (5) 70% for those persons with at least 19 years but less than 20 years of participation in the OGB program before retirement.

Further provides that the state contribution of such an employee's total premium upon retirement shall be calculated pursuant to present law or proposed law, whichever results in a higher contribution for the state. Prohibits proposed law from affecting the contributions paid by the state for any retiree covered pursuant to present law prior to January 1, 2026.

Proposed law makes technical changes to present law.

Effective July 1, 2025.

(Amends R.S. 17:81(Z)(2) and R.S. 42:851(E)(1)(intro. para.) and (F)-(V); Adds R.S. 42:851(W))