

Regular Session, 2014

SENATE BILL NO. 221

BY SENATOR ERDEY

GROUP BENEFITS PROGRAM. Provides relative to premiums. (7/1/14)

1 AN ACT

2 To enact R.S. 42:851(T), relative to premiums for the Group Benefits Program; to provide  
3 for employer contributions to such premiums; to provide for an effective date; and  
4 to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 42:851(T) is hereby enacted to read as follows:

7 §851. Authority for employee benefit programs; payroll deduction for payment of  
8 premiums

9 \* \* \*

10 **T. An employee who retires from a position with a city, parish, or other**  
11 **local public school system whose employees are eligible to participate in the**  
12 **Office of Group Benefits health care program, who participated in such**  
13 **program for the duration of employment with that employer but whose**  
14 **participation is less than twenty years, who, immediately prior to such**  
15 **employment, was an employee of another city, parish, or other local public**  
16 **school system and who participated in the group health insurance program**  
17 **made available by that school system, and who, upon retirement, maintains**

1           enrollment in the Office of Group Benefits program shall, notwithstanding any  
 2           provision of law to the contrary, have an employer contribution determined  
 3           pursuant to Subsection E of this Section, applying the sum of his years of  
 4           participation in the Office of Group Benefits program and his years of  
 5           participation in the group health insurance program made available by the  
 6           immediately prior school system. The employer share of the premium so  
 7           determined shall be remitted to the Office of Group Benefits by the employee's  
 8           last employer; provided, however, that the immediately prior employer shall  
 9           reimburse the last employer for the portion of the premium attributable to the  
 10           employee's duration of employment with that prior employer.

11           Section 2. This Act shall become effective on July 1, 2014; if vetoed by the governor  
 12           and subsequently approved by the legislature, this Act shall become effective on July 1,  
 13           2014, or on the day following such approval by the legislature, whichever is later.

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The original instrument and the following digest, which constitutes no part  
 of the legislative instrument, were prepared by Laura Gail Sullivan.

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#### DIGEST

Erdey (SB 221)

Present law provides for a participation schedule to determine the employer share of a retiree's Group Benefits health insurance premiums based on the years the person participated in the Office of Group Benefits (OGB) program before retirement as follows:

- (1) 19% for those persons with less than 10 years of participation.
- (2) 38% for those persons with at least 10 but less than 15 years of participation.
- (3) 56% for those persons with at least 15 but less than 20 years of participation.
- (4) 75% for those persons with 20 or more years of participation.

Proposed law, applicable to an employee who:

- (1) Retires from a position with a local public school system whose employees are eligible to participate in the OGB health care program.
- (2) Participated in such program for the duration of employment with that employer but whose participation is less than 20 years.
- (3) Immediately prior to such employment, was an employee of another local public school system and participated in the group health insurance program made available by that school system.

provides that such an employee who maintains enrollment in the OGB program upon

retirement shall have an employer contribution determined pursuant to present law participation schedule. Provides that the determination shall be made by applying the sum of his years of participation in OGB and his years of participation in the group health insurance program made available by the immediately prior school system.

Proposed law provides that the employer share of the premium determined pursuant to proposed law shall be remitted to OGB by the employee's last employer. Provides, however, that the immediately prior employer shall reimburse the last employer for the portion of the premium attributable to the employee's duration of employment with that prior employer.

Effective July 1, 2014.

(Adds R.S. 42:851(T))

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Insurance to the original bill

1. Provides that proposed law applies to employees whose last employer was a local public school system only.
2. Changes permissive language to mandatory language.
3. Provides for the employer premium share to be determined pursuant to present law rather than an amount agreed to by the last two employers.
4. Requires the last employer to submit the full employer premium share to OGB.
5. Requires immediately prior employer to reimburse the last employer for the portion of the employer share of the premium attributable to the employee's duration of employment with that prior employer.