

2020 -- H 8008

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LC005288
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2020

A N A C T

RELATING TO PUBLIC OFFICERS AND EMPLOYEES -- INSURANCE BENEFITS

Introduced By: Representatives Vella-Wilkinson, Williams, Millea, Morin, and Almeida

Date Introduced: March 13, 2020

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

15 (b) Non-Medicare-eligible state retirees who retired subsequent to July 1, 1989, and on or
16 before September 30, 2008. Non-Medicare-eligible state retirees who retired subsequent to July 1,
17 1989, and on or before September 30, 2008, from active service of the state, and who were
18 employees of the state as determined by the retirement board under § 36-8-1, shall be entitled to
19 receive for himself or herself non-Medicare-eligible a retiree health care insurance benefit as

1 described in § 36-12-1 in accordance with the following formula:

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

9 If the retired employee is receiving a subsidy on September 30, 2008, the state will continue
10 to pay the same subsidy share until the retiree attains age sixty-five (65).

11 Until December 31, 2013, when the state retiree reaches that age which will qualify him or
12 her for Medicare supplement, the formula shall be:

13	Years of Service	State's Share	Employee's Share
14	10 - 15	50%	50%
15	16 - 19	70%	30%
16	20 - 27	90%	10%
17	28+	100%	0%

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

1 September 30, 2008, and their dependents.

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

14 (e) Medicare-eligible state retirees who retire on or after October 1, 2008. Until December
15 31, 2013, the state shall subsidize eighty percent (80%) of the cost of the Medicare-eligible health
16 insurance plan for individual coverage in which the state retiree is enrolled, provided the employee
17 retired on or after October 1, 2008; has a minimum of twenty (20) years of service; and is a
18 minimum of fifty-nine (59) years of age. Payments for coverage shall be deducted from his or her
19 retirement allowance and remitted from time to time in payment for such health insurance plan.

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

24 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 who have a minimum of twenty-five (25) years
2 of service and who are at least fifty-five (55) years of age to receive a non-Medicare-eligible retiree
3 health care insurance benefit.

4 This act would take effect upon passage.

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