

1 SB249  
2 126280-1  
3 By Senator Glover  
4 RFD: Finance and Taxation General Fund  
5 First Read: 22-MAR-11

1 126280-1:n:02/24/2011:MCS/tj LRS2011-856

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8 SYNOPSIS: This bill would provide that a retiring USS  
9 Alabama Battleship Commission employee would be  
10 considered a qualified employee and would provide  
11 further for the adjustment of their years of  
12 service for health insurance premiums.

13 This bill would add to the definition of  
14 "retiree" qualified employees who retire from the  
15 service of the USS Alabama Battleship Commission.

16 This bill would also authorize the State  
17 Employees' Insurance Board to determine the years  
18 of creditable service for such periods of time that  
19 an employee of the USS Alabama Battleship  
20 Commission was employed as a non-Merit System  
21 employee.

22  
23 A BILL

24 TO BE ENTITLED

25 AN ACT

Relating to the State of Alabama Retirement Systems; to amend Section 36-29-1, Code of Alabama 1975, to add certain employees of the USS Alabama Battleship Commission to the definition of "retiree"; and to revise the definition of "years of service" so as to authorize the State Employees' Insurance Board to determine the years of creditable service for such periods of time that an employee of the USS Alabama Battleship Commission was employed as a non-Merit System employee.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 36-29-1, Code of Alabama 1975, is amended to read as follows:

"§36-29-1.

"When used in this chapter, the following terms shall have the following meanings, respectively, unless the context clearly indicates otherwise:

"(1) BOARD. The State Employees' Insurance Board.

"(2) CLASS. An employee or retiree shall be included in one of the following classes: (i) active employee single, (ii) active employee family, (iii) non-Medicare retiree single, (iv) non-Medicare retiree family, (v) Medicare retiree single, (vi) Medicare retiree family, (vii) non-Medicare retiree with Medicare eligible dependent(s), or (viii) Medicare retiree with non-Medicare dependent(s).

"(3) EMPLOYEE. A person who works full time for the State of Alabama or for a county health department and who receives his or her full compensation on a monthly basis

1 through means of a state warrant drawn upon the State Treasury  
2 or by check drawn by the Treasurer of the Alabama State Port  
3 Authority or by check drawn by the treasurer of the Alabama  
4 state agency for surplus property other than those employees  
5 covered by the federal Railroad Retirement Act. Full-time  
6 employees of the county health department in all counties  
7 having populations of not less than 300,000 nor more than  
8 500,000 shall also be included in the definition of employee  
9 for the purpose of this chapter, and the health department of  
10 any such county is hereby authorized to pay the employer's  
11 share of any contributions to the retirement fund; provided  
12 further, that any district attorney or full-time employees in  
13 the district attorney's office, of any judicial circuit shall  
14 be included in the definition of employee for the purpose of  
15 this chapter, and the respective judicial circuits are hereby  
16 authorized to pay the employer's share of any contribution  
17 therefor and any person employed part time by the State of  
18 Alabama on a wage and hourly basis, excluding fee  
19 compensations and other like arrangements, shall be included  
20 in the definition of employee as defined in this chapter  
21 provided such person shall agree to have deducted from his or  
22 her hourly wage, as stipulated, a pro rata portion of the  
23 premium cost of a full-time state employee based on the  
24 percentage of time such person is employed by the state  
25 according to rules and regulations established by the State  
26 Employees' Insurance Board. The term shall also include an  
27 employee who worked at least 10 years for the State Department

1 of Transportation in "captive county" circumstances as defined  
2 by Section 23-1-100 and who was transferred to county  
3 employment upon the adoption of Article 3A, Chapter 1, Title  
4 23. Provided further, however, any costs incurred as a result  
5 of including such employee in this term shall be payable from  
6 funds of the State Department of Transportation.

7 "(4) EMPLOYEE CONTRIBUTION. The amount of the total  
8 health insurance premium to be paid by the employee or retiree  
9 as determined by the board.

10 "(5) EMPLOYER CONTRIBUTION. The amount of the total  
11 health insurance premium to be paid by the employer as  
12 determined by the board.

13 "(6) FEDERAL POVERTY LEVEL. Income level determined  
14 in Section 673(2) of the Community Services Block Grant Act 2  
15 (42 U.S.C. § 9902(2)). Should the federal government no longer  
16 derive or substantially change its derivation of the federal  
17 poverty level, the State Employees' Insurance Board has the  
18 authority to derive and apply an alternate poverty level to  
19 carry out its obligations under this chapter.

20 "(7) HEALTH INSURANCE PREMIUM. The total health  
21 insurance cost under the State Employees' Health Insurance  
22 Plan with respect to each class of employees or retirees.  
23 Individual premiums may include adjustments and surcharges for  
24 (i) family size including, but not limited to, a husband and  
25 wife both being covered by the State Employees' Health  
26 Insurance Plan, (ii) smokers and users of tobacco products,  
27 (iii) preventative care and wellness care participation, and

1 (iv) any such other categories of risk that the board shall  
2 approve.

3 "(8) MEDICARE RETIREE. A retiree entitled to  
4 benefits under the federal Medicare program (Subchapter XVIII  
5 of the Social Security Act, 42 U.S.C. §§ 1395 et seq.).

6 "(9) NON-MEDICARE RETIREE. A retiree not entitled to  
7 benefits under the federal Medicare program (Subchapter XVIII  
8 of the Social Security Act, 42 U.S.C. §§ 1395 et seq.).

9 "(10) OTHER EMPLOYER GROUP HEALTH INSURANCE  
10 COVERAGE. Group health insurance coverage available to an  
11 employee or retiree through an employer other than the State  
12 of Alabama. Other employer group health insurance coverage  
13 does not include the State Employees' Health Insurance Plan,  
14 the Public Education Employees' Health Insurance Plan, or the  
15 local government health insurance plan.

16 "(11) RETIREE. An employee who retires from the  
17 service of the State of Alabama, who, at the time of such  
18 retirement, meets the criteria set out in this chapter and  
19 who, following such retirement, draws a monthly benefit from  
20 the Employees' Retirement System of Alabama, the Judicial  
21 Retirement System of Alabama, the Teachers' Retirement System  
22 of Alabama, the USS Alabama Battleship Commission, or the  
23 Alabama State Port Authority.

24 "(12) STATE EMPLOYEES' HEALTH INSURANCE PLAN. The  
25 health benefit plan administered or offered by the State  
26 Employees' Insurance Board for eligible employees and retirees  
27 and their respective dependents. The State Employees'

1 Insurance Board may offer supplemental coverages and policies  
2 in lieu of or in addition to coverage in the basic medical  
3 plan of the State Employees' Health Insurance Plan. Also  
4 referred to herein as "health insurance plan" or "plan."

5 "(13) SUPPLEMENTAL COVERAGE. Coverage offered to  
6 employees and retirees by the State Employees' Insurance Board  
7 in lieu of coverage in the basic medical plan of the State  
8 Employees' Health Insurance Plan that supplements an  
9 employee's or retiree's other employer group health insurance  
10 coverage.

11 "(14) SUPPLEMENTAL POLICY. A policy offered to  
12 employees and retirees by the State Employees' Insurance  
13 Board, in lieu of or in addition to coverage in the basic  
14 medical plan of the State Employees' Health Insurance Plan,  
15 that provides a defined set of benefits.

16 "(15) THIRD PARTY ADMINISTRATOR. An entity  
17 contracted by the State Employees' Insurance Board to provide  
18 certain administrative services as it deems appropriate and  
19 necessary to carry out its obligations under this chapter.

20 "(16) YEARS OF SERVICE. The number of years and  
21 months of creditable service by an employee prior to  
22 retirement as determined by the Employees' Retirement System,  
23 Teachers' Retirement System, or Judicial Retirement System  
24 including any periods of full time permanent employment  
25 subsequent to retirement up to a maximum of five years. Except  
26 for creditable service related to service in the United States  
27 Armed Forces, or as an employee as defined in Sections

1 16-25A-1 and 16-25A-11, or as an employee of a postsecondary  
2 institution eligible for PEEHIP coverage as a retiree whether  
3 the institution participates in PEEHIP or has its own plan of  
4 insurance for active employees, the State Employees' Insurance  
5 Board may exclude from years of service any years and months  
6 of creditable service it determines was not related to service  
7 as an employee as defined in Section 36-29-1. For employees of  
8 the Alabama State Port Authority and employees of the USS  
9 Alabama Battleship Commission, the term years of service shall  
10 mean the sum of the number of years and months of creditable  
11 service as determined by the Employees' Retirement System, the  
12 Teachers' Retirement System, or the Judicial Retirement System  
13 with regard to any periods of time during which such employee  
14 was employed under the Merit System plus the number of years  
15 and months of creditable service as determined by the State  
16 Employees' Insurance Board with regard to any period of time  
17 during which such employee was employed by the Alabama State  
18 Port Authority and employees of the USS Alabama Battleship  
19 Commission as a non-Merit System employee."

20 Section 2. This act shall become effective on the  
21 first day of the third month following its passage and  
22 approval by the Governor, or its otherwise becoming law.