



General Assembly

February Session, 2000

**Bill No. 120**

LCO No. 592

Referred to Committee on Appropriations

Introduced by:

SEN. EADS, 30<sup>th</sup> Dist.

REP. WARD, 86<sup>th</sup> Dist.

***An Act Concerning Health Insurance Plans Maintained By The Teachers' Retirement Board.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 10-183t of the general statutes is repealed and the  
2 following is substituted in lieu thereof:

3 The board shall offer one or more health benefit plans to any  
4 member receiving retirement benefits or a disability allowance from  
5 the system, and to the spouse or surviving spouse of such member,  
6 provided such member, spouse or surviving spouse is eligible for  
7 Medicare Part A hospital insurance. The board may offer one or more  
8 basic plans, [at no cost,] the cost of which to any such member, and to  
9 the spouse or surviving spouse of such member shall be twenty-five  
10 per cent of the basic plan's premium equivalent, and one or more  
11 optional plans, provided such member, spouse or surviving spouse  
12 shall pay twenty-five per cent of the basic plan's premium equivalent  
13 plus the difference in cost between any such basic plans and any such  
14 optional plans. The board shall designate those plans which are basic  
15 and those plans which are optional for the purpose of determining

16 such cost and the amount to be charged or withheld from benefit  
17 payments for such [optional plan coverage] plans. The surviving  
18 spouse of a member shall not be ineligible for participation in any such  
19 plan solely because such spouse is not receiving benefits from the  
20 system. [On and after July 1, 1998, the board shall pay the full cost of  
21 health insurance for any member, spouse or surviving spouse  
22 participating in a basic health insurance plan offered pursuant to this  
23 subsection.] With respect to any person participating in any such plan,  
24 the state shall appropriate to the board twenty-five per cent of the cost  
25 of such basic plan or plans, or twenty-five per cent of the cost of the  
26 rate in effect during the fiscal year ending June 30, 1998, whichever is  
27 greater.

28 (b) Any member who is receiving retirement benefits or a disability  
29 allowance from the system, or the spouse or surviving spouse of such  
30 member, and who is not participating in Medicare Part A hospital  
31 insurance, may fully participate in any or all group health insurance  
32 plans maintained for active teachers by such member's last employing  
33 board of education, or by the state in the case of a member who was  
34 employed by the state, upon payment to such board of education or to  
35 the state, as applicable, by such member, spouse or surviving spouse of  
36 the premium charged for his form of coverage. Such premium shall be  
37 no greater than that charged for the same form of coverage for active  
38 teachers. The surviving spouse shall not be ineligible for participation  
39 in any such plan solely because such spouse is not receiving benefits  
40 from the system. No person shall be ineligible for participation in such  
41 plans for failure to enroll in such plans at the time the member's  
42 retirement benefit or disability allowance became effective. Nothing in  
43 this subsection shall be construed to impair or alter the provisions of  
44 any collective bargaining agreement relating to the payment by a  
45 board of education of group health insurance premiums on behalf of  
46 any member receiving benefits from the system. Prior to the  
47 cancellation of coverage for any member, spouse or surviving spouse  
48 for failure to pay the required premiums or cost due, the board of  
49 education or the state, if applicable, shall notify the Teachers'

50 Retirement Board of its intention to cancel such coverage at least thirty  
51 days prior to the date of cancellation. [absent] Absent any contractual  
52 provisions to the contrary, the payments made pursuant to subsection  
53 (c) of this section shall be first applied to any cost borne by the  
54 member, spouse or surviving spouse participating in any such plan. As  
55 used in this subsection, "last employing board of education" means the  
56 board of education with which such member filed his initial  
57 application for retirement, and "health insurance plans" means  
58 hospital, medical, major medical, dental, prescription drug or auditory  
59 benefit plans that are available to active teachers.

60 (c) On and after [July 1, 1998] July 1, 2000, the board shall pay [an  
61 amount equal to the cost of a basic health insurance plan] a subsidy  
62 equal to the subsidy paid in the fiscal year ending June 30, 2000, to the  
63 board of education or to the state, if applicable, on behalf of any  
64 member who is receiving retirement benefits or a disability allowance  
65 from the system, or the spouse or surviving spouse of such member,  
66 who is participating in a health insurance plan maintained by a board  
67 of education or by the state, if applicable. Such payment shall not [be  
68 less than the rate which was in effect during the fiscal year ending June  
69 30, 1998, and shall not] exceed the actual cost of such insurance. With  
70 respect to any person participating in any such plan pursuant to  
71 subsection (b) of this section, the state shall appropriate to the board  
72 twenty-five per cent of the cost of [such basic plan or plans, or twenty-  
73 five per cent of the cost of the rate in effect during the fiscal year  
74 ending June 30, 1998, whichever is greater] the subsidy. No payment to  
75 a board of education pursuant to this subsection may be used to  
76 reduce the amount of any premium payment on behalf of any such  
77 member, spouse or surviving spouse made by such board pursuant to  
78 any agreement in effect on July 1, 1990.

79 (d) The Treasurer shall establish a separate retired teachers' health  
80 insurance premium account within the Teachers' Retirement Fund.  
81 Commencing July 1, 1989, and annually thereafter all one per cent  
82 contributions withheld under this chapter in excess of five hundred

83 thousand dollars shall, upon deposit in the Teachers' Retirement Fund,  
84 be credited to such account. Interest derived from the investment of  
85 funds in the account shall be credited to the account. Funds in the  
86 account shall be used for payments to boards of education pursuant to  
87 subsection (c) of this section and for payment of premiums on behalf of  
88 members or surviving spouses of members participating in one or  
89 more health insurance plans pursuant to subsection (a) of this section  
90 in an amount equal to the difference between the amount paid  
91 pursuant to said subsection (a) and the amount paid pursuant to  
92 subsection (c) of this section. If, during any fiscal year, there are  
93 insufficient funds in the account for the purposes of all such payments,  
94 the General Assembly shall appropriate sufficient funds to the account  
95 for such purpose.

96 Sec. 2. This act shall take effect July 1, 2000.

**Statement of Purpose:**

To implement the Governor's budget recommendations.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*