

By: Haggerty

H.B. No. 725

Substitute the following for H.B. No. 725:

By: Deshotel

C.S.H.B. No. 725

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the participation of community supervision and
3 corrections department employees, retired employees, and
4 dependents of employees and retired employees in the group benefits
5 program for state employees.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 ARTICLE 1. PARTICIPATION BY COMMUNITY SUPERVISION AND CORRECTIONS
8 DEPARTMENTS IN GROUP BENEFITS PROGRAM FOR STATE EMPLOYEES

9 SECTION 1.01. Section 1551.002, Insurance Code, as
10 effective June 1, 2003, is amended to read as follows:

11 Sec. 1551.002. PURPOSES. The purposes of this chapter are
12 to:

13 (1) provide uniformity in life, accident, and health
14 benefit coverages for all state officers and employees and their
15 dependents;

16 (2) enable the state to attract and retain competent
17 and able employees by providing employees and their dependents with
18 life, accident, and health benefit coverages at least equal to
19 those commonly provided in private industry;

20 (3) foster, promote, and encourage employment by and
21 service to the state as a career profession for individuals of high
22 standards of competence and ability;

23 (4) recognize and protect the state's investment in
24 each permanent employee by promoting and preserving economic

1 security and good health among employees and their dependents;

2 (5) foster and develop high standards of
3 employer-employee relationships between the state and its
4 employees; ~~and~~

5 (6) recognize the long and faithful service and
6 dedication of state officers and employees and encourage them to
7 remain in state service until eligible for retirement by providing
8 health benefits for them and their dependents; and

9 (7) recognize the service to the state by employees
10 and retired employees of community supervision and corrections
11 departments by extending to them and their dependents the same
12 life, accident, and health benefit coverages as those provided
13 under this chapter to state employees, retired state employees, and
14 their dependents.

15 SECTION 1.02. Section 1551.111(c), Insurance Code, as
16 effective June 1, 2003, is amended to read as follows:

17 (c) Except as provided by Section 1551.114, participation
18 ~~[Participation]~~ in the group benefits program does not extend to:

19 (1) the governing body of either system;

20 (2) a municipality or subdivision participating in
21 either system; or

22 (3) a trustee, officer, or employee, or a dependent of
23 a trustee, officer, or employee, of a participating municipality or
24 subdivision.

25 SECTION 1.03. Subchapter C, Chapter 1551, Insurance Code,
26 as effective June 1, 2003, is amended by adding Section 1551.114 to
27 read as follows:

1 Sec. 1551.114. PARTICIPATION BY COMMUNITY SUPERVISION AND
2 CORRECTIONS DEPARTMENTS. (a) In this section, "employee of a
3 community supervision and corrections department" means an
4 employee of a department established under Chapter 76, Government
5 Code.

6 (b) An employee or retired employee of a community
7 supervision and corrections department shall be treated as an
8 employee or annuitant, as applicable, for purposes of this chapter
9 only as provided by this section.

10 (c) A community supervision and corrections department of
11 this state participates in the group benefits program administered
12 by the board of trustees under this chapter. Participation under
13 this section is limited to:

14 (1) active employees of a community supervision and
15 corrections department;

16 (2) retired employees of a community supervision and
17 corrections department who retire on or after September 1, 2004,
18 and who:

19 (A) have been employed by one or more community
20 supervision and corrections departments for a total of at least 10
21 years of creditable service; and

22 (B) meet all the requirements for retirement
23 benefits prescribed by the Texas County and District Retirement
24 System; and

25 (3) eligible dependents of the active employees and
26 retired employees described by Subdivisions (1) and (2).

27 (d) Each full-time active employee of a community

1 supervision and corrections department is automatically covered by
2 the basic coverage for employees unless the employee specifically
3 waives coverage or unless the employee is expelled from the
4 program. Each part-time active employee of a community supervision
5 and corrections department is eligible to participate in the group
6 benefits program on application in the manner provided by the board
7 of trustees, unless the employee has been expelled from the
8 program. Each community supervision and corrections department
9 shall notify each of its part-time employees of the employee's
10 eligibility for participation.

11 (e) An active employee described by Subsection (d) is not
12 eligible to receive a state contribution under Subchapter G for
13 premiums. The community justice assistance division of the Texas
14 Department of Criminal Justice is responsible for payment of the
15 contributions for each of a department's participating active
16 employees and the employees' dependents that the state would make
17 under Subchapter G if the employees were state employees. Each
18 covered active employee shall pay that portion of the cost of group
19 coverages selected by the employee that exceeds the amount of
20 division contributions.

21 (f) A retired employee is eligible to participate in the
22 group benefits program on application to the board of trustees. On
23 application, a retired employee is automatically covered by the
24 basic coverage for annuitants unless the retired employee
25 specifically waives coverage or unless the retired employee is
26 expelled from the program. A retired employee is not eligible to
27 receive a state contribution under Subchapter G for premiums. The

1 community justice assistance division of the Texas Department of
2 Criminal Justice is responsible for payment of the contributions
3 for each of a department's retired employees and the retired
4 employees' participating dependents that the state would make under
5 Subchapter G if the retired employees were retired state employees.
6 Each participating retired employee shall pay that portion of the
7 cost of group coverage selected by the retired employee that
8 exceeds the amount of division contributions. The retired employee
9 shall pay contributions required from the retired employee in the
10 manner prescribed by the board of trustees. Each community
11 supervision and corrections department shall notify each of its
12 retired employees of the eligibility for participation and the
13 costs associated with participation.

14 (g) All contributions received under this section from the
15 community justice assistance division of the Texas Department of
16 Criminal Justice, active employees of community supervision and
17 corrections departments, and retired employees of community
18 supervision and corrections departments for basic, optional, and
19 voluntary coverages under the group benefits program shall be paid
20 into the employees life, accident, and health insurance and
21 benefits fund and shall be used by the board of trustees to provide
22 those coverages as provided by this chapter.

23 SECTION 1.04. Subchapter G, Chapter 1551, Insurance Code,
24 as effective June 1, 2003, is amended by adding Sections 1551.321
25 and 1551.322 to read as follows:

26 Sec. 1551.321. REQUIRED REPORTS OF COMMUNITY SUPERVISION
27 AND CORRECTIONS DEPARTMENTS. (a) Not later than June 1 of each

1 year, a community supervision and corrections department
2 participating in the group benefits program under Section 1551.114
3 shall submit to the board of trustees an estimated number of active
4 employees, retired employees, and dependents of active or retired
5 employees to be enrolled in the group benefits program for the
6 following fiscal year.

7 (b) Each month, a community supervision and corrections
8 department shall reconcile the department records of requested
9 participation in the group benefits plan and board of trustees
10 records of coverage.

11 Sec. 1551.322. REQUIRED CONTRIBUTIONS BY TEXAS DEPARTMENT
12 OF CRIMINAL JUSTICE. (a) Not later than August 1 of each year, the
13 board of trustees shall notify the community justice assistance
14 division of the Texas Department of Criminal Justice of the
15 estimated number of community supervision and corrections
16 department active employees, retired employees, and dependents of
17 active or retired employees to be covered under the group benefits
18 program for the following fiscal year.

19 (b) The community justice assistance division of the Texas
20 Department of Criminal Justice, on receipt of the notification
21 described by Subsection (a), shall:

22 (1) make timely payments of amounts due the board of
23 trustees; and

24 (2) reconcile, each month, the board of trustees
25 records and the division records of coverage and payments.

26 ARTICLE 2. CONFORMING AMENDMENTS

27 SECTION 2.01. Section 76.006, Government Code, is amended

1 by amending Subsections (a) and (c) and adding Subsection (i) to
2 read as follows:

3 (a) Except as provided by Subsection (c), department
4 employees are not state employees. The department shall contract
5 for all employee benefits with one county served by the department
6 and designated for that purpose by the district judge or judges. To
7 the extent that employee benefits are provided by a county under
8 this subsection, [and] the employees are governed by personnel
9 policies and benefits equal to personnel policies for and benefits
10 of other employees of that county. This subsection does not apply
11 to employee benefits for group insurance and related coverages
12 provided to employees of a department through the group benefits
13 program for state employees under Chapter 1551, Insurance Code.

14 (c) Department employees are state employees for the
15 purposes of Chapter 104, Civil Practice and Remedies Code, and
16 Chapter 501, Labor Code. Notwithstanding Subsection (a), a
17 department employee is eligible to participate in the group
18 benefits program established under Chapter 1551, Insurance Code, as
19 provided by Section 1551.114, Insurance Code.

20 (i) The department shall submit all information required by
21 Section 1551.321, Insurance Code, in the manner and form prescribed
22 by the Employees Retirement System of Texas.

23 SECTION 2.02. Section 509.011, Government Code, is amended
24 by adding Subsection (a-1) to read as follows:

25 (a-1) Notwithstanding Subsection (a), the division shall
26 prepare and submit to the comptroller vouchers for payment to the
27 Employees Retirement System of Texas for contributions for group

1 coverage in which a department participates under Section 1551.114,
2 Insurance Code. Payment of contributions under this subsection
3 shall be made from the money that the division would otherwise
4 allocate to a department under Subsection (a).

5 ARTICLE 3. TRANSITION

6 SECTION 3.01. (a) The Employees Retirement System of Texas
7 shall develop a plan for the extension of benefits under the group
8 benefits program to persons eligible for those benefits under
9 Section 1551.114, Insurance Code, as added by this Act. The system
10 may employ persons as necessary to implement this subsection.

11 (b) Coverage under Section 1551.114, Insurance Code, as
12 added by this Act, shall become effective September 1, 2004.

13 SECTION 3.02. The commissioners court of the county
14 designated for a community supervision and corrections department
15 under Section 76.006(a), Government Code, as that section existed
16 before amendment by this Act, shall, not later than September 1,
17 2004, transfer from the employee benefits program described by that
18 section all records relating to group insurance and related
19 coverage of department employees and retired employees, if
20 applicable, under that program to the Employees Retirement System
21 of Texas.

22 SECTION 3.03. (a) This Act takes effect September 1, 2003,
23 except that Article 2 of this Act takes effect September 1, 2004.

24 (b) The Employees Retirement System of Texas shall adopt
25 rules as necessary to implement Section 3.01 of this Act not later
26 than June 1, 2004.