

By: Haggerty

H.B. No. 725

A BILL TO BE ENTITLED

1 AN ACT

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. Each community supervision and corrections department is
14 responsible for payment of the contributions for each of the
15 department's participating active employees and the employees'
16 dependents that the state would make under Subchapter G if the
17 employees were state employees. Each covered active employee shall
18 pay that portion of the cost of group coverages selected by the
19 employee that exceeds the amount of department contributions.

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

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

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

ARTICLE 2. CONFORMING AMENDMENTS

23 SECTION 2.01. Sections 76.006(a) and (c), Government Code,
24 are amended to read as follows:

25 (a) Except as provided by Subsection (c), department
26 employees are not state employees. The department shall contract
27 for all employee benefits with one county served by the department

1 and designated for that purpose by the district judge or judges. To
2 the extent that employee benefits are provided by a county under
3 this subsection, [and] the employees are governed by personnel
4 policies and benefits equal to personnel policies for and benefits
5 of other employees of that county. This subsection does not apply
6 to employee benefits for group insurance and related coverages
7 provided to employees of a department through the group benefits
8 program for state employees under Chapter 1551, Insurance Code.

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

15 SECTION 2.02. Section 509.011(c), Government Code, is
16 amended to read as follows:

17 (c) Each department, county, or municipality shall deposit
18 all state aid received from the division in a special fund of the
19 county treasury or municipal treasury, as appropriate, to be used
20 solely for the provision of services, programs, and facilities
21 under this chapter or Subchapter H, Chapter 351, Local Government
22 Code, or for payment of department contributions under Section
23 1551.114, Insurance Code.

24 ARTICLE 3. TRANSITION

25 SECTION 3.01. (a) The Employees Retirement System of Texas
26 shall develop a plan for the extension of benefits under the group
27 benefits program to persons eligible for those benefits under

1 Section 1551.114, Insurance Code, as added by this Act. The system
2 may employ persons as necessary to implement this subsection.

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

5 SECTION 3.02. The commissioners court of the county
6 designated for a community supervision and corrections department
7 under Section 76.006(a), Government Code, as that section existed
8 before amendment by this Act, shall, not later than September 1,
9 2004, transfer from the employee benefits program described by that
10 section all records relating to group insurance and related
11 coverage of department employees and retired employees, if
12 applicable, under that program to the Employees Retirement System
13 of Texas.

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

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