



SB 4002 Sectional Analysis

Section 1 amends 39.30.400(b), *Benefits Payable from the Individual Account*, to expand reimbursement of funds from the Health Reimbursement Arrangement plan for eligible medical care expenses to include those of an eligible member's dependent child if the member dies and there is no surviving spouse.

Section 2 of the bill amends AS 39.35.535(a), *Medical Benefits*, to remove the requirement that dependent child(ren) of a deceased employee first hired before July 1, 1986, must be dependent on the surviving spouse to be entitled to major medical insurance coverage under the retiree plan. It further adds that an eligible surviving spouse who has received payment of occupational death benefits of a peace officer or firefighter are entitled to major medical insurance coverage under this section.

Section 3 of the bill amends AS 39.35.535(c), *Medical Benefits*, provides that a surviving spouse who has received payment of occupational death benefits of a peace officer or firefighter is not required to make premium payments for the major medical insurance coverage.

Section 4 of the bill repeals and reenacts AS 39.35.870(c), *Eligibility for Retirement and Medical Benefits*, to define persons eligible to elect medical benefits as: 1) the member eligible for retirement under AS 39.35.870(a); 2) the surviving spouse of a member who had retired or was eligible to retire at the time of their death; 3) a deceased peace officer's or firefighter's surviving spouse who is eligible for DCR occupational death benefits, and; 4) a deceased peace officer's or firefighter's eligible dependent children who are eligible for DCR occupational death benefits. This section removes the requirement that a peace officer or firefighter must retire directly from the Public Employees' Retirement System plan.

Section 5 of the bill amends AS 39.35.870(d), *Eligibility for Retirement and Medical Benefits*, to expand who is eligible to apply for benefits from "members" to "a person".

Section 6 of the bill repeals and reenacts AS 39.35.870(g), *Eligibility for Retirement and Medical Benefits*, to make an election to not participate in the major medical plan irrevocable upon application for retirement and benefits or when they reach age 70 ½, whichever is later.

Section 7 of the bill amends AS 39.35.870 by adding a new subsection to provide for an end date, should the surviving spouse's or dependent child(ren)'s eligibility end prior to the date on which the deceased member would have qualified for normal retirement.

Section 8 of the bill repeals and reenacts AS 39.35.880(b), *Medical Benefits*, to define covered dependents when those eligible to elect medical coverage under AS 39.35.870(c) as: 1) the member, the spouse of the eligible member, and the dependent children of the eligible member if the member is the elector member; 2) the surviving spouse and the dependent children of the eligible member who are dependent on the surviving spouse if the surviving spouse is the elector; or 3) the dependent child if the dependent child, or a person authorized to act on behalf of the dependent child, is the elector.

Section 9 of the bill amends AS 39.35.880(d), *Medical Benefits*, to expand when major medical coverage ends to when a person receiving the coverage is no longer eligible to receive coverage or fails to make the required premium payment.

Section 10 of the bill amends AS 39.35.880(g), *Medical Benefits*, to expand the language from "members" to "a person" to incorporate dependent children if there is not surviving spouse.

Section 11 of the bill adds a new subsection to AS 39.35.880, *Medical Benefits*, to provide a peace officer's or firefighter's surviving spouse who is not yet eligible for Medicare and eligible dependent children eligible for benefits under the DCR occupational death benefits, are eligible to receive major medical benefits premium free.

Section 12 of the bill amends AS 39.35.894, *Premiums for Retiree Major Medical Insurance coverage Upon Termination of Disability Benefits or Survivor's Pension*, removing a reference to AS 39.35.892(e). It is unclear the purpose of this change. This amendment removes the reference to AS 39.35.892(e) for all survivors who receive occupational death benefits, and does not limit the change to survivors of peace officers or firefighters.

Section 13 of the bill repeals AS 39.365.880(c).

Section 14 of the bill adds a new section allowing for the Department to adopt regulations necessary to implement the Act.

Section 15 of the bill provides Section 1-13 will be retroactive to January 1, 2013.

Section 16 of the bill provides the Section 14 takes effect immediately after it becomes law.

Section 17 of the bill provides with the exception of Section 14, the Act is effective January 1, 2017.