

#16A

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE GUTTENBERG

TO: HCS CSSSSB 91(FIN)

1 Page 1, line 8, following "license":

2 Insert "; relating to major medical insurance coverage under the Public
3 Employees' Retirement System of Alaska"

4
5 Page 92, following line 5:

6 Insert new bill sections to read:

7 "* Sec. 147. AS 39.30.400(b) is amended to read:

8 (b) Upon application of an eligible person, the administrator shall reimburse to
9 the eligible person the costs for medical care expenses as defined in 26 U.S.C. 213(d).
10 Reimbursement is limited to the medical expenses of

11 (1) an eligible member, the spouse of an eligible member, and the
12 dependent children of an eligible member; [OR]

13 (2) a surviving spouse and the dependent children of an eligible
14 member dependent on the surviving spouse; or

15 (3) an eligible member's dependent children if the member dies
16 and there is no surviving spouse.

17 * Sec. 148. AS 39.35.535(a) is amended to read:

18 (a) Except as provided in (d) of this section, the following persons are entitled
19 to major medical insurance coverage under this section:

20 (1) for employees first hired before July 1, 1986,

21 (A) an employee who is receiving a monthly benefit from the
22 plan and who has elected coverage;

23 (B) the spouse and dependent children of the employee

described in (A) of this paragraph;

(C) the surviving spouse of a deceased employee who is receiving a monthly benefit from the plan and who has elected coverage;

(D) the dependent children of a deceased employee **for whom coverage has been elected** [WHO ARE DEPENDENT ON THE SURVIVING SPOUSE DESCRIBED IN (C) OF THIS PARAGRAPH];

(2) for members first hired on or after July 1, 1986,

(A) an employee who is receiving a monthly benefit from the plan and who has elected coverage for the employee;

(B) the spouse of the employee described in (A) of this paragraph if the employee elected coverage for the spouse;

(C) the dependent children of the employee described in (A) of this paragraph if the employee elected coverage for the dependent children;

(D) the surviving spouse of a deceased employee who is receiving a monthly benefit from the plan and who has elected coverage;

(E) the dependent children of a deceased employee **for whom coverage has been elected;**

(3) for deceased members who were peace officers or firefighters,

(A) the dependent children of the deceased member who are eligible to receive a pension benefit under AS 39.35.430 and for whom coverage has been elected;

(B) the surviving spouse of the deceased member who [ARE DEPENDENT ON THE SURVIVING SPOUSE DESCRIBED IN (D) OF THIS PARAGRAPH IF THE SURVIVING SPOUSE] has elected coverage **and is eligible to receive a pension benefit under AS 39.35.430** [FOR THE DEPENDENT CHILDREN].

* **Sec. 149.** AS 39.35.535(c) is amended to read:

(c) A benefit recipient may elect major medical insurance coverage in accordance with regulations and under the following conditions:

(1) a person, other than a disabled member or a disabled member who is appointed to normal retirement, must pay an amount equal to the full monthly group

1 premium for retiree major medical insurance coverage if the person is

2 (A) younger than 60 years of age and has less than

3 (i) 25 years of credited service as a peace officer under
4 AS 39.35.360 and 39.35.370; or

5 (ii) 30 years of credited service under AS 39.35.360 and
6 39.35.370 that is not service as a peace officer; or

7 (B) of any age and has less than 10 years of credited service;

8 (2) a person is not required to make premium payments for retiree
9 major medical coverage if the person

10 (A) is a disabled member;

11 (B) is a disabled member who is appointed to normal
12 retirement;

13 (C) is 60 years of age or older and has at least 10 years of
14 credited service; [OR]

15 (D) has at least

16 (i) 25 years of credited service as a peace officer under
17 AS 39.35.360 and 39.35.370; or

18 (ii) 30 years of credited service under AS 39.35.360 and
19 39.35.370 not as a peace officer; or

20 **(E) is receiving a benefit under (a)(3) of this section.**

21 * **Sec. 150.** AS 39.35.870(c) is repealed and reenacted to read:

22 (c) The following persons are eligible to elect medical benefits under
23 AS 39.35.880:

24 (1) a member who is eligible for retirement under (a) of this section;

25 (2) a member's surviving spouse if the member had retired or was
26 eligible for retirement and medical benefits at the time of the member's death;

27 (3) a deceased member's surviving spouse, if the deceased member
28 was a peace officer or firefighter and the deceased member's surviving spouse is
29 eligible to receive a benefit under AS 39.35.892; and

30 (4) a deceased member's dependent children if the deceased member
31 was a peace officer or firefighter and the deceased member's surviving spouse or

1 dependent children are eligible to receive a benefit under AS 39.35.892.

2 * **Sec. 151.** AS 39.35.870(d) is amended to read:

3 (d) **A person** [MEMBERS] shall apply for retirement and medical benefits on
4 the forms and in the manner prescribed by the administrator.

5 * **Sec. 152.** AS 39.35.870(g) is repealed and reenacted to read:

6 (g) If an eligible person elects not to participate in the retiree major medical
7 insurance plan, the election becomes irrevocable upon application for retirement and
8 medical benefits or when the person reaches 70 1/2 years of age, whichever is later.

9 * **Sec. 153.** AS 39.35.870 is amended by adding a new subsection to read:

10 (h) Notwithstanding cessation of benefits under AS 39.35.892(b), medical
11 benefits for a survivor under (c)(3) and (4) of this section shall be paid until the last
12 day of the month in which there is no surviving spouse and no dependent child.

13 * **Sec. 154.** AS 39.35.880(b) is repealed and reenacted to read:

14 (b) Retiree major medical insurance plan coverage elected by a person who is
15 eligible under AS 39.35.870(c) covers

16 (1) the member, the spouse of the eligible member, and the dependent
17 children of the eligible member if the member is the elector;

18 (2) the surviving spouse and the dependent children of the eligible
19 member who are dependent on the surviving spouse if the surviving spouse is the
20 elector;

21 (3) the dependent child if the dependent child, or a person authorized
22 to act on behalf of the dependent child, is the elector.

23 * **Sec. 155.** AS 39.35.880(d) is amended to read:

24 (d) Major medical insurance coverage takes effect on the first day of the
25 month following the date of the administrator's approval of the election and stops
26 when the person who elects coverage **is no longer eligible to receive coverage**
27 [DIES] or fails to make a required premium payment.

28 * **Sec. 156.** AS 39.35.880(g) is amended to read:

29 (g) The cost of premiums for retiree major medical insurance coverage for an
30 eligible **person** [MEMBER OR SURVIVING SPOUSE] who is

31 (1) not eligible for Medicare is an amount equal to the full monthly

1 group premiums for retiree major medical insurance coverage;

2 (2) eligible for Medicare is the following percentage of the premium
3 amounts established for retirees who are eligible for Medicare:

4 (A) 30 percent if the member had 10 or more, but less than 15,
5 years of service;

6 (B) 25 percent if the member had 15 or more, but less than 20,
7 years of service;

8 (C) 20 percent if the member had 20 or more, but less than 25,
9 years of service;

10 (D) 15 percent if the member had 25 or more, but less than 30,
11 years of service;

12 (E) 10 percent if the member had 30 or more years of service.

13 * **Sec. 157.** AS 39.35.880 is amended by adding a new subsection to read:

14 (I) Notwithstanding (g) of this section, a person who is eligible for major
15 medical insurance coverage under AS 39.35.870(c)(3) or (4) is not required to pay
16 premiums under (g)(1) of this section.

17 * **Sec. 158.** AS 39.35.894 is amended to read:

18 **Sec. 39.35.894. Premiums for retiree major medical insurance coverage**
19 **upon termination of disability benefits or survivor's pension.** The premium for
20 retiree major medical insurance coverage payable by an employee whose disability
21 benefit is terminated under AS 39.35.890(g) or by an eligible survivor whose survivor
22 pension is terminated under AS 39.35.890(k) [OR 39.35.892(e)] when the employee
23 would have been eligible for normal retirement if the employee had survived shall be
24 determined under AS 39.35.880(g)(2) as if the employee or survivor were eligible for
25 Medicare."
26

27 Page 105, following line 30:

28 Insert a new bill section to read:

29 **"* Sec. 178.** AS 39.35.880(c) is repealed."
30

31 Renumber the following bill sections accordingly.

1

2 Page 108, line 31:

3 Delete "sec. 147"

4 Insert "sec. 159"

5

6 Page 111, line 15:

7 Delete "sec. 164"

8 Insert "sec. 176"

9

10 Page 111, line 16:

11 Delete "164"

12 Insert "176"

13

14 Page 113, following line 3:

15 Insert new bill sections to read:

16 **"* Sec. 184.** The uncoded law of the State of Alaska is amended by adding a new section
 17 to read:

18 TRANSITION: REGULATIONS. (a) The Department of Administration may adopt
 19 regulations necessary to implement this Act. Regulations adopted by the Department of
 20 Administration under this Act relate to the internal management of a state agency and are not
 21 subject to AS 44.62 (Administrative Procedure Act) under AS 39.30.160 and AS 39.35.005.

22 (b) Regulations adopted under this section may not take effect before the effective
 23 date of the law being implemented by the regulation.

24 *** Sec. 185.** The uncoded law of the State of Alaska is amended by adding a new section
 25 to read:

26 SEVERABILITY. If this Act is held invalid by a court of competent jurisdiction under
 27 the requirement of art. II, sec. 13, Constitution of the State of Alaska, that every bill be
 28 confined to one subject, the provisions of secs. 147 - 158, 178, 184, and 186 of this Act shall
 29 be severed so that the remainder of this Act is not affected.

30 *** Sec. 186.** The uncoded law of the State of Alaska is amended by adding a new section
 31 to read:

1 RETROACTIVITY. Sections 147 - 158 and 178 of this Act are retroactive to
2 January 1, 2013."

3

4 Renumber the following bill sections accordingly.

5

6 Page 113, line 7:

7 Delete "sec. 164"

8 Insert "sec. 176"

9

10 Page 113, line 10:

11 Delete "sec. 166(a)"

12 Insert "sec. 179(a)"

13

14 Page 113, line 12:

15 Delete "sec. 166(b)"

16 Insert "sec. 179(b)"

17

18 Page 113, line 15:

19 Delete "sec. 166(c)"

20 Insert "sec. 179(c)"

21

22 Page 113, line 18:

23 Delete "sec. 166(d)"

24 Insert "sec. 179(d)"

25

26 Page 113, line 21:

27 Delete "sec. 166(e)"

28 Insert "sec. 179(e)"

29

30 Page 113, lines 24 - 25:

31 Delete "146 - 156, 165, 166(b), 166(c), and 166(d)"

- 1 Insert "146, 159 - 168, 177, 179(b), 179(c), and 179(d)"
- 2
- 3 Page 113, lines 28 - 29:
- 4 Delete "and 157 - 159"
- 5 Insert "147 - 158, 169 - 171, 178, and 184 - 186"
- 6
- 7 Page 113, line 31:
- 8 Delete "166(a), and 166(e)"
- 9 Insert "179(a), and 179(e)"
- 10
- 11 Page 114, line 2:
- 12 Delete "sec. 164"
- 13 Insert "sec. 176"
- 14
- 15 Page 114, following line 3:
- 16 Insert a new bill section to read:
- 17 **"* Sec. 194.** Section 184 of this Act takes effect immediately under AS 01.10.070(c)."