

H B

354

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

3/18/81

(5)

Date: \_\_\_\_\_

Mr. Speaker:

The Committee on STATE AFFAIRS has had HB 354

"An Act allowing certain insurance coverage for judges and justices receiving benefits under the judicial retirement system; and providing for an effective date."

under consideration and reports it back as follows:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for HB 354  same title  
 new title
- and recommends CS HB 354 DO PASS
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

*Hill*  
*Boyer*  
*Walt*  
*Boyer*

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*Hill*  
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 CHAIRMAN



Alaska Court System  
State of Alaska

OFFICE OF ADMINISTRATIVE DIRECTOR

WM. GRANT CALLOW  
General Counsel

303 K Street  
Anchorage, Alaska 99501

April 7, 1981

Honorable Mike Miller, Chairman  
State Affairs Committee  
Alaska House of Representatives  
State Capitol, Room 102  
Juenau, Alaska 99811

Dear Representative Miller:

At the request of the Alaska Court System, HB 354 was introduced this year which, if enacted, would amend AS 39.30.090(15) to allow retired state judges and justices who receive retirement benefits from the state to purchase auditory, visual and dental insurance for themselves. The bill has been referred to the House State Affairs Committee for review.

Under the current statute, retired teachers and other retired state employees are allowed to purchase this type of insurance coverage, and it seems that the drafters of the subsection may have inadvertently overlooked retired judges since (1) they are expressly covered in all the other related subsections of the statute (9-13); and (2) there is no fiscal impact because the retired judges are expressly required to pay the cost of the insurance. I am enclosing copies of the current statute and HB 354 for your reference.

A number of our retired state judges and justices, and particularly Senior Justice John Dimond, are understandably concerned about this bill.

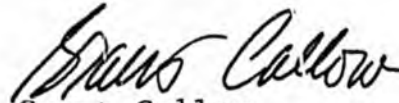
On behalf of the Court System, I would like to respectfully request that HB 354 be considered by the State Affairs Committee at its earliest convenience. Since it is a short bill without any apparent fiscal impact to the state, I would not expect it to be at all controversial.

Honorable Mike Miller  
April 7, 1981  
page two

I will, of course, be happy to appear before the State Affairs Committee to answer any questions which you or any of the other committee members may have on the bill.

Please let me know if you have any questions.

Sincerely,



Grant Callow  
General Counsel

GC:kmp

cc: Senior Justice John Dimond

(8) "wages" means remuneration for employment, including the cash value of remuneration paid in any medium other than cash, except that "wages" does not include that part of remuneration which, even if it were for "employment" within the meaning of the Federal Insurance Contributions Act, would not constitute "wages" within the meaning of that act. (§ 2 ch 95 SLA 1951)

Editor's note. — The federal Insurance Contributions Act, referred to in paragraph (4), may be found in 26 U.S.C. §§ 3101 — 3125. The Social Security Act, referred to in paragraph (7), may be found in 42 U.S.C. § 301 et seq.

Article 2. Group Life and Health Insurance.

Section

- 90. Procurement of group insurance
- 100. Definitions

Sec. 39.30.090. Procurement of group insurance. The Department of Administration may obtain a policy or policies of group insurance covering state employees and employees of other participating governmental units subject to the following conditions:

(1) A group insurance policy shall provide one or more of the following benefits: life insurance, accidental death and dismemberment insurance, weekly indemnity insurance, hospital expense insurance, surgical expense insurance, dental expense insurance, audio-visual insurance, or other medical care insurance.

(2) Each eligible employee of the state, his spouse and his unmarried children chiefly dependent on him for support and each eligible employee of another participating governmental unit shall be covered by the group policy, unless exempt under regulations adopted by the commissioner of administration.

(3) A governmental unit may participate under a group policy if

(A) its governing body adopts a resolution authorizing participation, and payment of required premiums;

(B) a certified copy of the resolution is filed with the Department of Administration; and

(C) the commissioner of administration approves the participation in writing.

(4) Repealed by § 14 ch 47 SLA 1974.

(5) Repealed by § 14 ch 47 SLA 1974.

(6) The Department of Administration shall obtain the insurance policy from any insurer authorized to transact business in the state under AS 21.09 and 21.90.

(7) The Department of Administration shall make available bid specifications for desired insurance benefits to all insurance carriers licensed in the state and qualified to provide the desired benefits. The specifications shall be made available on or before July 1, 1965, and at

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least once every succeeding five years. The lowest responsible bid submitted by an insurance carrier with adequate servicing facilities shall govern selection of a carrier under this section.

(8) If the aggregate of dividends payable under the group insurance policy exceeds the governmental unit's share of the premium, the excess shall be applied by the governmental unit for the sole benefit of the employees.

(9) A person receiving benefits under AS 14.25.110, AS 22.25 or AS 39.35 who is not 65 years of age may obtain major medical and life insurance under this section for himself and any dependents who have not reached the age of 65 years.

(10) A person receiving benefits under AS 14.25.110, AS 22.25 or AS 39.35 who is 65 years of age or older but who has dependents who are under 65 may obtain major medical insurance for these dependents under this section.

(11) A person receiving benefits under AS 14.25.110, AS 22.25 or AS 39.35 may obtain major medical and prescription drug insurance under this section for himself and any dependents to cover costs which are not covered by the federal old age survivor's and disability insurance program.

(12) A person electing to have insurance under (9), (10) or (11) of this section shall pay the cost of this insurance.

(13) No person may elect for coverage under (9), (10) or (11) of this section unless he was or is presently eligible for coverage under this section.

(14) For each permanent part-time employee electing coverage under this section, the state shall contribute one-half the state contribution rate for permanent full-time state employees, and the permanent part-time employee shall contribute the other one-half.

(1.) A person receiving benefits under AS 14.25 or AS 39.35 may obtain auditory, visual, and dental insurance for himself under this section. The level of coverage for persons over 65 shall be the same as that available before reaching age 65 except that the benefits payable shall be supplemental to those afforded under the federal old age, survivors, and disability insurance program, if any. A person electing to have insurance under this paragraph shall pay the cost of the insurance. The commissioner of administration shall adopt regulations implementing this paragraph. (§ 2 ch 151 SLA 1955; am § 1 ch 168 SLA 1959; am § 1 ch 105 SLA 196., am § 1 ch 70 SLA 1968; am § 66 ch 69 SLA 1970; am § 1 ch 123 SLA 1970; am § 1 ch 159 SLA 1972; am §§ 1, 2 ch 46 SLA 1973; am §§ 13, 14 ch 47 SLA 1974; am § 2 ch 27 SLA 1976; am § 39 ch 177 SLA 1978; am § 1 ch 55 SLA 1979)

Effect of amendments. — The 1976 amendment added paragraph (14). The 1978 amendment, retroactive to June 28, 1976, in paragraph (14), inserted "electing coverage under this section" and deleted "as a condition of employment" following "permanent part-time employee."

POSITION PAPER

SENATE BILL NO. 286

HOUSE BILL NO. 354

"An Act relating to audio, visual, and dental insurance coverage for persons receiving benefits under the judicial retirement system; and providing for an effective date."

This bill brings the judicial retirement system onto a par with the other two state retirement systems; teachers' and public employees' retirement systems. This is an appropriate action in view of the comparable need for this benefit by all retirees, regardless of the route by which they enter a state supported retirement system.

Position

The Department supports this bill.

Recommended by:

David Bruce  
David Bruce, Deputy Director  
Division of Public Health

Date:

April 1, 1981

Approved by:

Helen D. Beirne  
Helen D. Beirne  
Commissioner

Date:

4-7-81

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. \_\_\_\_\_ HOUSE BILL NO. 354  
 \_\_\_\_\_ SENATE BILL NO. 286  
 Title "An Act relating to audio, visual, and dental insurance coverage (judicial)....."  
 Requested by Helen D. Beirne Date March 25, 1981

II. FISCAL DETAIL  
 Agency Affected Health and Social Services  
 Program Category Affected Public Health  
 BRU, Program, or Subprogram(s) Affected Family Health  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 COMMODITIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER (Specify Fund Source)	0	0	0	0	0	0

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE March 25, 1981 PREPARED BY David A. Spence, M.D.  
 AGENCY Family Health  
 PHONE 465-3100  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) M&B Approval H. Hubbard Date 4/6/81