

HB

535

## BACKGROUND

### HB 535

House Bill 535 is a single purpose piece of legislation designed to allowed retired state employees to continue their group life insurance after age 65. They would be required to pay the premiums on this coverage.

HB 535 arose from complaints from a constituent in House District 17 who is a retired state employee. At the time of her retirement, the group life insurance policy with the state was her only life coverage. By the time she was informed that she was no longer covered, her age made it impossible to purchase life insurance on the open market at a reasonable rate.

Cost of funerals in small, interior communities is very high. This is primarily due to the fact that graves cannot be dug in the winter, and bodies must therefore either be cremated or held in cold storage until after break-up.

STATE OF ALASKA  
THE LEGISLATURE

POUCH 1 - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 30, 1984

SUBJECT: Sectional analysis of HB 535

TO: Representative John Cowdery  
Chairman, House Labor and Commerce Committee

FROM: Edward H. Hein *EHA*  
Legislative Counsel

Under AS 39.30.090 state employees and others who participate in state-provided group life insurance are entitled to continue the insurance after terminating employment if they pay the cost of the insurance themselves. Only the coverage the person had at the time of leaving employment may be purchased. The conversion privilege is limited to persons under 65 years of age. HB 535 deletes the age requirement at page 2, line 23. All other changes reflected in the bill are technical.

EHH:ojb  
J3/015



Alaska Public  
Employees Association **APEA**

State Headquarters: 340 N. Franklin, Juneau, AK 99801 (907) 586-2334

MEMORANDUM

TO: Representative John Cowdery, Chairman  
House Labor and Commerce Committee

FROM: Cherie Shelley  
Executive Director

SUBJECT: HB 535

DATE: February 7, 1984

The Alaska Public Employees Association fully supports the provisions of HB 535 allowing all former public employees to continue to purchase group life insurance regardless of age.

This legislation will remove discriminatory language from state statute and make insurance coverage available at a time when people need it the most.

Cost to the state will be minimal since the premium will be paid by the former employees.

CS/rb

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STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

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

REQUEST FISCAL DETAIL  
 Bill/Resolution No.: HB 535 Agency Affected All State Agencies  
 Title: An Act relating to purchase of group life insurance by retirees. Program Category Affected: Health Insurance  
 Sponsor: Shultz BRU, Program or Subprogram(s) Affected: \_\_\_\_\_  
 Requestor: \_\_\_\_\_  
 Date of Request: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
100 Personal Svcs						
100 Ptmnt. & Bnfts						
200 Travel						
300 Contractual						
400 Supplies						
500 Equipment						
600 Land & Struct						
700 Grants, Claims						
700 TRS Match						
TOTAL CPEPA, '84	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL \_\_\_\_\_

REVENUE \_\_\_\_\_

FUNDING: (Thousands of Dollars)

General Fund						
Federal Funds						
Other						
Total	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

Full-Time						
Part-Time						
Temporary						

SOURCE OF FUNDS TO OFFSET IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: J.K. Humphreys Phone: 465-4460  
 Division: Retirement & Benefits Date: 2-3-84

Approved by Commissioner: Lisa Rudd Date: 2/15/84  
 Agency: Department of Administration

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

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House Bill 535  
Fiscal Note Analysis  
Prepared by the Division of Retirement & Benefits  
Department of Administration

February 3, 1984

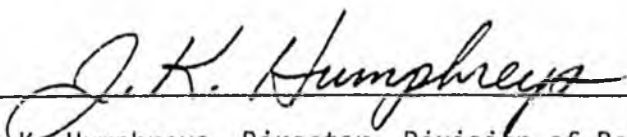
IV Analysis: This bill would allow retirees age 65 and older to continue to purchase optional group life insurance. Currently, retirees are ineligible to purchase this insurance after age 65.

There is no cost to the State. Premiums for this insurance would be paid by the retiree.

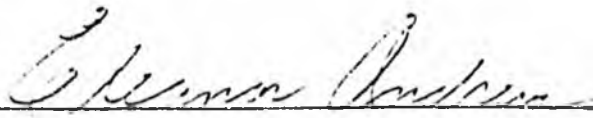
Position Paper

HB 535

The Department of Administration supports this bill. It offers retirees the choice of continuing to purchase optional group life insurance coverage beyond the current limit of age 65. This flexibility can be achieved with no cost to the state. Favorable premium rates would benefit the retiree.

  
\_\_\_\_\_  
J.K. Humphreys, Director, Division of Retirement & Benefits

2-3-84  
Date

  
\_\_\_\_\_  
for Lisa Rudd, Commissioner, Department of Administration

2/8/84  
Date



STATE OF ALASKA  
OFFICE OF THE GOVERNOR

BILL ANALYSIS

Department Administration	Sponsor (Principal) Shultz	Bill Number HB 535
Department Position The department supports this bill.		
Division Director J.K. Humphreys <i>J.K. Humphreys</i>	Date 2-3-84	Commissioner's Signature Lisa Rudd <i>Lisa Rudd</i>
		Date 2/8/84

GOVERNOR'S OFFICE USE

Comments:

Position Noted      By \_\_\_\_\_      Date \_\_\_\_\_

SUMMARY

1. a) Related Bills (Similar or Conflicting) none	1. b) Other Agencies Affected by Bill
2. a) Organizational Support for Bill Unknown	2. b) Organizational Opposition to Bill Unknown

3. Program Effects of Bill

This bill would allow retirees to continue to purchase optional life insurance coverage beyond the current age limit of 65.

4. Fiscal Impact:       None       Fiscal Note Attached

5. Amendments Proposed:

6. Comments:

If this bill becomes law retirees who became ineligible in the past because of age and those who retired after reaching age 65 and were never eligible, would be given the opportunity to re-enroll in this coverage without evidence of insurability.