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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. 222

January 18, 2007

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The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections

February 8, 2007

Committee Recommendation and Adoption of Report:
To Pass and re-referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to retiree health insurance coverage; providing for the inclusion of
1.3 certain former University of Minnesota steam plant employees in the state
1.4 health insurance group; amending Minnesota Statutes 2006, section 43A.27,
1.5 subdivision 3.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2006, section 43A.27, subdivision 3, is amended to read:

1.8 Subd. 3. **Retired employees.** (a) A person may elect to purchase at personal
1.9 expense individual and dependent hospital, medical, and dental coverages if the person is:

1.10 (1) a retired employee of the state or an organization listed in subdivision 2 or
1.11 section 43A.24, subdivision 2, who, at separation of service:

1.12 (i) is immediately eligible to receive a retirement benefit under chapter 354B or an
1.13 annuity under a retirement program sponsored by the state or such organization of the state;

1.14 (ii) immediately meets the age and service requirements in section 352.115,
1.15 subdivision 1; and

1.16 (iii) has five years of service or meets the service requirement of the collective
1.17 bargaining agreement or plan, whichever is greater; or

1.18 (2) a retired employee of the state who is at least 50 years of age and has at least
1.19 15 years of state service.

1.20 (b) A person may elect, on July 1, 2007, or on the first day of the month occurring 18
1.21 months after the person terminates employment with Foster Wheeler Twin Cities, Inc.,
1.22 whichever is later, to purchase at personal expense individual and dependent hospital,
1.23 medical, and dental coverage if the person:

1.24 (1) was an employee of the University of Minnesota before July 1, 1992;

1.25 (2) was employed at the university heating plant facilities;

2.1 (3) was transferred to Foster Wheeler Twin Cities, Inc.; and

2.2 (4) continued in general state employees retirement plan coverage for employment
2.3 after June 30, 1992, under section 352.01, subdivision 2a, paragraph (a), clause (15).

2.4 (c) The commissioner shall offer at least one plan which is actuarially equivalent to
2.5 those made available through collective bargaining agreements or plans established under
2.6 section 43A.18 to employees in positions equivalent to that from which retired.

2.7 (e) (d) A spouse of a person eligible under paragraph (a) or (b) may purchase
2.8 the coverage listed in this subdivision if the spouse was a dependent under the retired
2.9 employee's coverage at the time of the retiree's death.

2.10 (d) (e) Coverages must be coordinated with relevant health insurance benefits
2.11 provided through the federally sponsored Medicare program. Until the retired employee
2.12 reaches age 65, the retired employee and dependents must be pooled in the same group
2.13 as active employees for purposes of establishing premiums and coverage for hospital,
2.14 medical, and dental insurance. Coverage for retired employees and their dependents may
2.15 not discriminate on the basis of evidence of insurability or preexisting conditions unless
2.16 identical conditions are imposed on active employees in the group that the employee left.
2.17 Appointing authorities shall provide notice to employees no later than the effective date of
2.18 their retirement of the right to exercise the option provided in this subdivision. The retired
2.19 employee must notify the commissioner or designee of the commissioner within 30 days
2.20 after the effective date of the retirement of intent to exercise this option.