



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **SB 221** SLS 14RS 542

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> March 13, 2014 1:53 PM	<b>Author:</b> ERDEY
<b>Dept./Agy.:</b> Office of Group Benefits (OGB)	
<b>Subject:</b> Premiums	<b>Analyst:</b> Travis McIlwain

GROUP BENEFITS PROGRAM

Provides relative to premiums. (7/1/14)

OR SEE FISC NOTE GF EX

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Current law provides for a participation schedule that provides that persons who did not participate in the program prior to January 1, 2002, or who are hired after January 1, 2002 shall be subject to such vesting schedule relating to years of participation within the Office of Group Benefits (OGB) health insurance program. Upon retirement, persons with less than 10 years, shall have 19% state contribution; those between 10 and 15 years of participation will receive 35% state contribution; those between 15 and 20 years will receive a 56% state contribution; and those with 20 or more years shall have a 75% state contribution. Proposed law will be applicable to an employee who retires from a position with an employer whose employees are eligible to participate in OGB, who participated in such program for the duration of employment with that employer but whose participation is less than 20 years, who immediately prior to employment was a professional employee of a city, parish or local school system and participated in the group health insurance program and that same employee maintains enrollment in OGB may upon retirement have an employer contribution of up to 75% of his premium if his last employer and his immediately prior public school system employer agree to provide the employee with contributions which together total 75%. Effective July 1, 2014.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

To the extent there is an agreement between the two employers to split the 75% employer costs, this bill will result in an indeterminable increase in state and local governmental expenditures. The specific cost increase will be dependent upon the agreement and the OGB monthly premium rate. The specific number of individuals that meet the criteria outlined in this legislation is unknown at this time.

NOTE: R.S. 42:851(E)(1) provides that any person who was an active employee in 2001 had until January 1, 2002 to enroll in the Office of Group Benefits program in order to be not be subject to the OGB retirement vesting schedule. The OGB vesting scheduled was enacted by Act 1178 of the 2001 Regular Legislative Session.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. The Office of Group Benefits will still collect the total premium. The impact of this legislation will only impact how much the employee pays versus the employer.