

HOUSE BILL 577

Introduced by Harper, et al.

2/02	Introduced
2/02	Referred to State Administration
2/04	First Reading
2/04	Fiscal Note Requested
2/08	Fiscal Note Received
2/12	Fiscal Note Printed
2/14	Hearing
2/15	Committee Report--Bill Passed as Amended
2/18	Revised Fiscal Note Printed
2/20	2nd Reading Passed as Amended
2/20	3rd Reading Passed as Amended
	Transmitted to Senate
2/21	First Reading
2/21	Referred to State Administration
3/05	Revised Fiscal Note Received
3/08	Hearing
3/08	Revised Fiscal Note Received
3/09	Revised Fiscal Note Printed
4/11	Tabled in Committee

1 *HOUSE* BILL NO. *577* *Wm F. Edwards*
 2 INTRODUCED BY *Frank Mercer* *John Beck* *Becker* *Ream*
 3 *Cody* *Hammons* *John Brown* *Connelly* *Jack B. Bennett* *Brennan*
 4 *Kidas* *Bennett* *W. H. Cook* *Will Moore* *W. H. Cook* *Cobb*
 5 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A SEPARATE
 6 ACTIVE DUTY MILITARY LEAVE STATUS FOR STATE, COUNTY, OR CITY
 7 EMPLOYEES CALLED TO ACTIVE DUTY UNDER CERTAIN CONDITIONS;
 8 PROVIDING CERTAIN BENEFITS FOR EMPLOYEES IN AN ACTIVE DUTY
 9 MILITARY LEAVE STATUS; AMENDING SECTION 2-18-704, MCA; AND
 10 PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE
 11 APPLICABILITY DATE."

12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 NEW SECTION. **Section 1.** Short title. [Sections 1
14 through 7] may be cited as the "Active Duty Military Leave
15 Act".

16 NEW SECTION. **Section 2.** Definition. As used in
17 [sections 1 through 7], "employee" means an employee as
18 defined in 2-18-701, except that the term includes employees
19 who work less than 20 hours per week.

20 NEW SECTION. **Section 3.** Active duty military leave --
21 defined. An employee who is absent from employment with the
22 state, county, or city during a crisis or war, declared or
23 not declared, must be considered on active duty military
24 leave if the United States government has imposed a
25 selective service or training act or a reserve or national

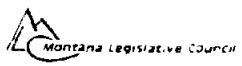
1 guard mobilization act in response to the crisis or war and
2 the employee has been ordered to active military duty for
3 one of the following reasons:

- 4 (1) as a direct result of the selective service or
- 5 training act or a reserve or national guard mobilization
- 6 act;
- 7 (2) for a voluntary assignment to active military
- 8 service with the armed forces of the United States; or
- 9 (3) direct assignment to the United States department
- 10 of defense for duties related to national defense efforts if
- 11 a leave of absence has been granted by the employer.

12 NEW SECTION. **Section 4.** Leave with pay. An employee in
13 an active duty military leave status under [section 3] shall
14 continue to receive his regular wages or salary provided by
15 law for up to 30 working days from the time of his
16 activation.

17 NEW SECTION. **Section 5.** Group life insurance. If an
18 employee is on active duty military leave under [section 3]:

- 19 (1) the employee may convert his group life insurance
- 20 policy to an individual policy without a war clause as
- 21 described in 2-18-704(4) if a life insurance benefit is
- 22 provided at the time of the employee's activation; or
- 23 (2) the employee's dependents may elect to remain
- 24 members of the group life insurance plan but shall pay the
- 25 full premium after 30 working days.



1 NEW SECTION. Section 6. Group medical and dental
 2 insurance. (1) If an employee is on active duty military
 3 leave under [section 3], the employee may elect to continue
 4 for his dependents the group medical and dental coverage in
 5 effect at the time the employee was activated.

6 (2) If the employee elects to continue coverage for his
 7 dependents under subsection (1), the employee's spouse or
 8 dependents or the guardian of the employee's minor
 9 dependents shall contribute to the plan the amount required
 10 under 2-18-702. The employer shall continue contributions to
 11 group benefits under 2-18-703 for up to 30 days. After 30
 12 days, the employee shall pay the full premium if he elects
 13 to continue group medical and dental coverage for his
 14 dependents.

15 NEW SECTION. Section 7. Accrual of sick and annual
 16 leave. An employee in an active duty military leave status
 17 as provided in [section 3] shall continue to accrue for the
 18 duration of his active duty military service under [section
 19 3]:

20 (1) sick leave under 2-18-618 for 30 working days,
 21 after which the employee shall accrue sick leave at
 22 one-fourth the rate provided; and

23 (2) annual leave under 2-18-611 for up to 30 working
 24 days, after which the employee shall accrue annual leave at
 25 one-fourth the rate provided.

1 **Section 8.** Section 2-18-704, MCA, is amended to read:

2 ***2-18-704. Mandatory provisions.** (1) An insurance
 3 contract or plan issued after June 30, 1977, under this part
 4 must contain provisions that permit:

5 (a) the member of a group who retires from active
 6 service under the appropriate retirement provisions provided
 7 by law to remain a member of the group until he becomes
 8 eligible for medicare under the federal Health Insurance for
 9 the Aged Act, 42 U.S.C. 1395, as amended, unless he is a
 10 participant in another group plan with substantially the
 11 same or greater benefits at an equivalent cost or unless he
 12 is employed and, by virtue of that employment, is eligible
 13 to participate in another group plan with substantially the
 14 same or greater benefits at an equivalent cost;

15 (b) the surviving spouse of a member to remain a member
 16 of the group as long as the spouse is eligible for
 17 retirement benefits accrued by the deceased member as
 18 provided by law unless the spouse is eligible for medicare
 19 under the federal Health Insurance for the Aged Act or
 20 unless the spouse has or is eligible for equivalent
 21 insurance coverage as provided in subsection (1)(a);

22 (c) the surviving children of a member to remain
 23 members of the group as long as they are eligible for
 24 retirement benefits accrued by the deceased member as
 25 provided by law unless they have equivalent coverage as:

1 provided in subsection (1)(a) or are eligible for insurance
2 coverage by virtue of the employment of a surviving parent
3 or legal guardian.

4 (2) An insurance contract or plan issued after June 30,
5 1983, under this part must contain the provisions of
6 subsection (1) for remaining a member of the group and also
7 must permit:

8 (a) the spouse of a retired member the same rights as a
9 surviving spouse under subsection (1)(b);

10 (b) the spouse of a retiring member to convert a group
11 policy as provided in 33-22-508; and

12 (c) continued membership in the group by anyone
13 eligible under the provisions of this section
14 notwithstanding the person's eligibility for medicare under
15 the federal Health Insurance for the Aged Act.

16 (3) A person electing to remain a member of the group
17 under subsections (1) and (2) must pay the full premium for
18 his coverage and for that of his covered dependents.

19 (4) If an insurance contract or plan issued after [the
20 effective date of this act] provides group life insurance
21 coverage, the plan must allow an employee in an active duty
22 military leave status under [section 3] to convert his
23 policy to an individual policy that does not have a war
24 clause limitation."

25 NEW SECTION. Section 9. Codification instruction.

1 [Sections 1 through 7] are intended to be codified as an
2 integral part of Title 2, chapter 18, part 6, and the
3 provisions of Title 2, chapter 18, part 6, apply to
4 [sections 1 through 7].

5 NEW SECTION. Section 10. Effective date. [This act] is
6 effective on passage and approval.

7 NEW SECTION. Section 11. Retroactive applicability.
8 [Sections 4 and 7] apply retroactively, within the meaning
9 of 1-2-109, to employees ordered to active duty under the
10 provisions of [section 3] after August 2, 1990.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0577, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act providing a separate active duty military leave status for state, county, or city employees called to active duty under certain conditions; providing certain benefits for employees in an active duty military leave status; amending section 2-18-704, MCA; and providing an immediate effective date and a retroactive applicability date.

ASSUMPTIONS:

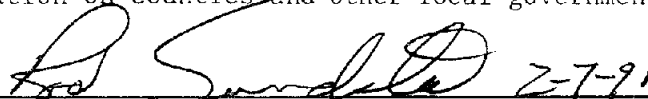
1. The current restrictions against transferring appropriation authority from personal services to non-personal service expenses will continue in the 1993 biennium.
2. The average length of call-up will be seven months.
3. Activated employees will earn three additional days of sick leave and four additional days of annual leave.
4. Agencies currently fund positions, relative to FTE requirements, assuming the position will remain filled for an entire fiscal year. When a position becomes vacant, the average time required to fill the position is in excess of 45 days.
5. The positions vacated by activated state employees will remain vacant for at least 30 working days. Contracted services will not be necessary to provide the work performed by the vacant positions.
6. Approximately 67 state employees have been activated into military service since August 2, 1990. The average FY91 salary, including benefits, of these currently activated state employees is \$10.89 per hour. The estimated cost of retroactively providing currently activated state employees the proposed active duty military leave is \$230,518.
7. The cost of retroactively providing activated state employees the proposed military leave would be an FY91 expense and reversion of personal services during the 1991 biennium.
8. Additional sick and annual leave, above the indicated fiscal impact, will be paid out at the rate of 100% of vacation leave and 25% of sick leave upon termination or death.
9. Approximately 50% of personal services costs statewide are funded with general fund.

FISCAL IMPACT:


Reduction in estimated reversions; all funds: \$175,138 in FY91 and \$55,380 in FY92.
General Fund portion of estimated reversion loss: \$87,569 in FY91 and \$27,690 in FY92.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Due to the lack of information on the attributes of local government employees, the fiscal impact of the proposed legislation on counties and other local governments can not be determined.



ROD SUNDSTED, BUDGET DIRECTOR DATE
Office of Budget and Program Planning



HAL HARPER, PRIMARY SPONSOR DATE

Fiscal Note for HB0577, as introduced.

HB 577

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0577, as introduced, revised.

DESCRIPTION OF PROPOSED LEGISLATION:

An act providing a separate active duty military leave status for state, county, or city employees called to active duty under certain conditions; providing certain benefits for employees in an active duty military leave status; amending section 2-18-704, MCA; and providing an immediate effective date and a retroactive applicability date.

ASSUMPTIONS:


1. The current restrictions against transferring appropriation authority from personal services to non-personal service expenses will continue in the 1993 biennium.
2. The average length of call-up will be seven months.
3. Activated employees will earn three additional days of sick leave and four additional days of annual leave.
4. Agencies currently fund positions, relative to FTE requirements, assuming the position will remain filled for an entire fiscal year. When a position becomes vacant, the average time required to fill the position is in excess of 45 days.
5. The positions vacated by activated state employees will remain vacant for at least 30 working days. Contracted services will not be necessary to provide the work performed by the vacant positions.
6. Approximately 47 state employees have been activated into military service since August 2, 1990, and an additional 20 state employees may be activated.
7. The average FY91 salary, including benefits, of currently activated state employees is \$10.89 per hour. The estimated cost of retroactively providing currently activated state employees the proposed active duty military leave is \$230,518.
8. The cost of retroactively providing activated state employees the proposed military leave would be an FY91 expense and does not exceed the anticipated reversion of personnel services during the 1991 biennium.
9. Additional sick and annual leave, above the indicated fiscal impact, will be paid out at the rate of 100% of vacation leave and 25% of sick leave upon termination or death.
10. Approximately 50% of statewide personal service costs are funded with general fund.
11. The State Auditor will need to revise the personnel-payroll-position control (PPP) system relative to the changes in the proposed legislation. The estimated cost in FY91 for these revisions is \$4,884.

FISCAL IMPACT:

Reduction in estimated personnel services reversions: all funds: \$175,138 in FY91 and \$55,380 in FY92.
General fund portion of estimated personnel services reversion loss: \$87,569 in FY 91 and \$27,690 in FY92.
The State Auditor's Office would require an appropriation of \$4,884 in FY91 to modify the PPP system.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Due to the lack of information on the attributes of local government employees, the fiscal impact of the proposed legislation on counties and other local governments can not be determined.


ROD SUNDSTED, BUDGET DIRECTOR 2-16-91
Office of Budget and Program Planning DATE


HAL HARPER, PRIMARY SPONSOR 2-18-91
DATE

Fiscal Note for HB0577, as introduced, revised.

HB 577 Rev.

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0577, third reading.

DESCRIPTION OF PROPOSED LEGISLATION:

An act providing a separate active duty military leave status for state, county, or city employees called to active duty under certain conditions; providing certain benefits for employees in an active duty military leave status; amending section 2-18-704, MCA; and providing an immediate effective date and a retroactive applicability date.

ASSUMPTIONS:


1. The current restrictions against transferring appropriation authority from personal services to non-personal service expenses will continue in the 1993 biennium.
2. The average length of call-up will be seven months.
3. Activated employees will earn three additional days of sick leave and four additional days of annual leave.
4. Agencies currently fund positions, relative to FTE requirements, assuming the position will remain filled for an entire fiscal year. When a position becomes vacant, the average time required to fill the position is in excess of 45 days.
5. The positions vacated by activated state employees will remain vacant for at least 30 working days. Contracted services will not be necessary to provide the work performed by the vacant positions.
6. Approximately 47 state employees have been activated into military service since August 2, 1990, and an additional 20 state employees may be activated.
7. The average FY91 salary, including benefits, of currently activated state employees is \$10.89 per hour. The estimated cost of retroactively providing currently activated state employees the proposed active duty military leave is \$245,041.
8. The cost of retroactively providing activated state employees the proposed military leave would be an FY91 expense and does not exceed the anticipated reversion of personnel services during the 1991 biennium.
9. Additional sick and annual leave, above the indicated fiscal impact, will be paid out at the rate of 100% of vacation leave and 25% of sick leave upon termination or death.
10. Approximately 50% of statewide personal service costs are funded with general fund.
11. The State Auditor will need to revise the personnel-payroll-position control (PPP) system relative to the changes in the proposed legislation. The estimated cost in FY91 for these revisions is \$4,884.
12. The state will pay a state employee's contribution to their respective retirement system for the duration of the employee's active duty military leave.

FISCAL IMPACT:

Reduction in estimated personal services reversions: all funds: \$186,172 in FY91 and \$58,869 in FY92.
General fund portion of estimated personal services reversion loss: \$93,086 in FY 91 and \$29,435 in FY92.
The State Auditor's Office would require an appropriation of \$4,884 in FY91 to modify the PPP system.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Due to the lack of information on the attributes of local government employees, the fiscal impact of the proposed legislation on counties and other local governments can not be determined.


ROD SUNDSTED, BUDGET DIRECTOR DATE 3-8-91
Office of Budget and Program Planning


HAL HARPER, PRIMARY SPONSOR DATE 3-9-91

Fiscal Note for HB0577, third reading.

HB 577.
3rd reading

APPROVED BY COMMITTEE
ON STATE ADMINISTRATION

HOUSE BILL NO. 577

INTRODUCED BY HARPER, MERCER, O'KEEFE, BECKER, REAM,
BOHARSKI, CODY, HARRINGTON, J. BROWN, CONNELLY, PECK,
BARNHART, BRADLEY, KADAS, BENEDICT, ZOOK, PHILLIPS, LEE,
R. JOHNSON, CLARK, COBB, SIMPKINS, KNOX, DRISCOLL,
D. BROWN, RUSSELL, STICKNEY, THOMAS, KILPATRICK, LARSON,
TOOLE, SQUIRES, STEPLER, NISBET, J. DEBRUYCKER, FOSTER,
S. RICE, DAVIS

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A SEPARATE
ACTIVE DUTY MILITARY LEAVE STATUS FOR STATE, COUNTY, OR
CITY, OR TOWN EMPLOYEES CALLED TO ACTIVE DUTY UNDER CERTAIN
CONDITIONS; PROVIDING CERTAIN BENEFITS FOR EMPLOYEES IN AN
ACTIVE DUTY MILITARY LEAVE STATUS; ~~AMENDING---SECTION~~
~~2-18-7047-MEA7~~ AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND
A RETROACTIVE APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Short title. [Sections 1
through 7 6] may be cited as the "Active Duty Military Leave
Act".

NEW SECTION. Section 2. Definition. As used in
[sections 1 through 7 6], "employee" means ~~an--employee--as~~
~~defined-in-2-18-7017-except-that-the-term-includes-employees~~
~~who-work-less-than-20-hours-per-week~~; ANY PERSON EMPLOYED BY

OR ELECTED TO AN AGENCY OF A LEGALLY CONSTITUTED DEPARTMENT,
BOARD, OR COMMISSION OF STATE, COUNTY, CITY, OR TOWN
GOVERNMENT OR ANY POLITICAL SUBDIVISION THEREOF.

NEW SECTION. Section 3. Active duty military leave --
defined. An employee who is absent from employment with the
state, county, or city during a crisis or war, declared or
not declared, must be considered on active duty military
leave if the United States government has imposed a
selective service or training act or a reserve or national
guard mobilization act in response to the crisis or war and
the employee has been ordered to active military duty for
one of the following reasons:

(1) as a direct result of the selective service or
training act or a reserve or national guard mobilization
act;

(2) for a voluntary assignment to active military
service with the armed forces of the United States; or

(3) direct assignment to the United States department
of defense for duties related to national defense efforts if
a leave of absence has been granted by the employer.

NEW SECTION. Section 4. Leave with pay. An employee in
an active duty military leave status under [section 3] shall
continue to receive his regular wages or salary provided by
law for up to 30 working days from the time of his
activation.

SECOND READING

1 ~~NEW SECTION. Section 5. Group life insurance. If an~~
 2 ~~employee is on active duty military leave under {section 3}~~
 3 ~~{1} the employee may convert his group life insurance~~
 4 ~~policy to an individual policy without a war clause as~~
 5 ~~described in 2-18-704(4) if a life insurance benefit is~~
 6 ~~provided at the time of the employee's activation; or~~
 7 ~~{2} the employee's dependents may elect to remain~~
 8 ~~members of the group life insurance plan but shall pay the~~
 9 ~~full premium after 30 working days.~~

10 NEW SECTION. Section 5. Group medical and dental
 11 insurance. (1) If an employee is on active duty military
 12 leave under [section 3], the employee may elect to continue
 13 for his dependents the group medical and dental coverage in
 14 effect at the time the employee was activated.

15 (2) If the employee elects to continue coverage for his
 16 dependents under subsection (1), the employee's spouse or
 17 dependents or the guardian of the employee's minor
 18 dependents shall contribute to the plan the amount required
 19 under 2-18-702. The employer shall continue contributions to
 20 group benefits under 2-18-703 for up to 30 days. After 30
 21 days, the employee shall pay the full premium if he elects
 22 to continue group medical and dental coverage for his
 23 dependents.

24 {3} UPON AN EMPLOYEE'S RETURN FROM ACTIVE DUTY MILITARY
 25 LEAVE UNDER THE PROVISIONS OF [SECTION 3] AND THE EMPLOYEE'S

1 RETURN TO ACTIVE EMPLOYMENT, THE EMPLOYEE MUST BE REINSTATED
 2 AS A MEMBER OF HIS GROUP INSURANCE CONTRACT OR PLAN WITHOUT
 3 ANY NEW PREEXISTING CONDITION LIMITATIONS OR WAITING
 4 PERIODS, AS IF HE HAD NEVER BEEN ABSENT.

5 NEW SECTION. Section 6. Accrual of sick and annual
 6 leave. An employee in an active duty military leave status
 7 as provided in [section 3] shall continue to accrue for the
 8 duration of his active duty military service under [section
 9 3]:

10 (1) sick leave under 2-18-618 for 30 working days,
 11 after which the employee shall accrue sick leave at
 12 one-fourth the rate provided; and

13 (2) annual leave under 2-18-611 for up to 30 working
 14 days, after which the employee shall accrue annual leave at
 15 one-fourth the rate provided.

16 ~~Section 6. Section 2-18-704, MCA, is amended to read:~~
 17 ~~"2-18-704. Mandatory provisions. {1} An insurance~~
 18 ~~contract or plan issued after June 30, 1977, under this part~~
 19 ~~must contain provisions that permit:~~

20 ~~{a} the member of a group who retires from active~~
 21 ~~service under the appropriate retirement provisions provided~~
 22 ~~by law to remain a member of the group until he becomes~~
 23 ~~eligible for Medicare under the federal Health Insurance for~~
 24 ~~the Aged Act, 42 U.S.C. 1395, as amended, unless he is a~~
 25 ~~participant in another group plan with substantially the~~

1 same-or-greater-benefits-at-an-equivalent-cost-or-unless--he
 2 is--employed--and,by-virtue-of-that-employment,--is-eligible
 3 to-participate-in-another-group-plan-with-substantially--the
 4 same-or-greater-benefits-at-an-equivalent-cost;

5 (b)--the-surviving-spouse-of-a-member-to-remain-a-member
 6 of--the--group--as--long--as--the--spouse--is--eligible--for
 7 retirement--benefits--accrued--by--the--deceased--member--as
 8 provided--by--law--unless--the--spouse--is--eligible--for--medicare
 9 under--the--federal--Health--Insurance--for--the--Aged--Act--or
 10 unless---the--spouse--has--or--is--eligible--for--equivalent
 11 insurance-coverage-as-provided-in-subsection-(1)(a);

12 (c)--the--surviving--children--of--a--member--to--remain
 13 members-of-the-group--as--long--as--they--are--eligible--for
 14 retirement--benefits--accrued--by--the--deceased--member--as
 15 provided--by--law--unless--they--have-equivalent-coverage-as
 16 provided-in-subsection-(1)(a)-or-are-eligible-for--insurance
 17 coverage--by--virtue-of-the-employment-of-a-surviving-parent
 18 or-legal-guardian;

19 (2)--An-insurance-contract-or-plan-issued-after-June-30,
 20 1983,--under--this--part--must--contain--the--provisions--of
 21 subsection-(1)--for--remaining-a-member-of-the-group-and--also
 22 must-permit:

23 (a)--the-spouse-of-a-retired-member-the-same-rights-as-a
 24 surviving-spouse-under-subsection-(1)(b);

25 (b)--the--spouse-of-a-retiring-member-to-convert-a-group

1 policy-as-provided-in-33-22-500;-and

2 (c)--continued-membership--in--the--group---by---anyone
 3 eligible----under----the----provisions---of---this---section
 4 notwithstanding-the-person's-eligibility-for-medicare--under
 5 the-federal-Health-Insurance-for-the-Aged-Act;

6 (3)--A-person-electing-to-remain-a-member-of-the-group
 7 under-subsections-(1)-and-(2)-must-pay-the-full-premium--for
 8 his-coverage-and-for-that-of-his-covered-dependents;

9 (4)--If-an-insurance-contract-or-plan-issued-after-[the
 10 effective-date-of-this-act]-provides--group--life--insurance
 11 coverage,--the-plan-must-allow-an-employee-in-an-active-duty
 12 military-leave-status--under--[section--3]--to--convert--his
 13 policy--to--an--individual--policy--that--does--not--have--a-war
 14 clause-limitation.*

15 NEW SECTION. Section 7. Codification instruction.
 16 [Sections 1 through 7 6] are intended to be codified as an
 17 integral part of Title 2, chapter 18, part 6, and the
 18 provisions of Title 2, chapter 18, part 6, apply to
 19 [sections 1 through 7 6].

20 NEW SECTION. Section 8. Effective date. [This act] is
 21 effective on passage and approval.

22 NEW SECTION. Section 9. Retroactive applicability.
 23 [Sections 4 and 7 6] apply retroactively, within the meaning
 24 of 1-2-109, to employees ordered to active duty under the
 25 provisions of [section 3] after August 2, 1990.

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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[sections 1 through 7 6], "employee" means ~~an--employee--as
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the employee has been ordered to active military duty for
one of the following reasons:

(1) as a direct result of the selective service or
training act or a reserve or national guard mobilization
act;

(2) for a voluntary assignment to active military
service with the armed forces of the United States; or

(3) direct assignment to the United States department
of defense for duties related to national defense efforts if
a leave of absence has been granted by the employer.

NEW SECTION. Section 4. Leave with pay -- EMPLOYEE
RETIREMENT CONTRIBUTION PAID. (1) An employee in an active
duty military leave status under [section 3] shall continue
to receive his regular wages or salary provided by law for
up to 30 working days from the time of his activation.

THIRD READING

HB 577

AS AMENDED

1 (2) THE STATE SHALL PAY THE EMPLOYEE CONTRIBUTION TO
 2 THE EMPLOYEE'S RETIREMENT SYSTEM FOR THE DURATION OF THE
 3 EMPLOYEE'S ACTIVE DUTY MILITARY LEAVE UNDER THE PROVISIONS
 4 OF [SECTION 3] IF THE EMPLOYEE IS A STATE EMPLOYEE AS
 5 DEFINED IN 2-18-701 WHOSE BASE PAY ON ACTIVE MILITARY DUTY
 6 IS LESS THAN HIS BASE WAGE OR SALARY AS A STATE EMPLOYEE.

7 ~~NEW SECTION. Section 5. Group life insurance. If an~~
 8 ~~employee is on active duty military leave under [section 3]:~~

9 ~~(1) the employee may convert his group life insurance~~
 10 ~~policy to an individual policy without a war clause as~~
 11 ~~described in 2-18-704(4) if a life insurance benefit is~~
 12 ~~provided at the time of the employee's activation; or~~

13 ~~(2) the employee's dependents may elect to remain~~
 14 ~~members of the group life insurance plan but shall pay the~~
 15 ~~full premium after 30 working days.~~

16 **NEW SECTION. Section 5. Group medical and dental**
 17 **insurance.** (1) If an employee is on active duty military
 18 leave under [section 3], the employee may elect to continue
 19 for his dependents the group medical and dental coverage in
 20 effect at the time the employee was activated.

21 (2) If the employee elects to continue coverage for his
 22 dependents under subsection (1), the employee's spouse or
 23 dependents or the guardian of the employee's minor
 24 dependents shall contribute to the plan the amount required
 25 under 2-18-702. The employer shall continue contributions to

1 group benefits under 2-18-703 for up to 30 days. After 30
 2 days, the employee shall pay the full premium if he elects
 3 to continue group medical and dental coverage for his
 4 dependents.

5 (3) UPON AN EMPLOYEE'S RETURN FROM ACTIVE DUTY MILITARY
 6 LEAVE UNDER THE PROVISIONS OF [SECTION 3] AND THE EMPLOYEE'S
 7 RETURN TO ACTIVE EMPLOYMENT, THE EMPLOYEE MUST BE REINSTATED
 8 AS A MEMBER OF HIS GROUP INSURANCE CONTRACT OR PLAN WITHOUT
 9 ANY NEW PREEXISTING CONDITION LIMITATIONS OR WAITING
 10 PERIODS, AS IF HE HAD NEVER BEEN ABSENT.

11 **NEW SECTION. Section 6. Accrual of sick and annual**
 12 **leave.** An employee in an active duty military leave status
 13 as provided in [section 3] shall continue to accrue for the
 14 duration of his active duty military service under [section
 15 3]:

16 (1) sick leave under 2-18-618 for 30 working days,
 17 after which the employee shall accrue sick leave at
 18 one-fourth the rate provided; and

19 (2) annual leave under 2-18-611 for up to 30 working
 20 days, after which the employee shall accrue annual leave at
 21 one-fourth the rate provided.

22 ~~Section 0. Section 2-18-704, MEA, is amended to read:~~
 23 ~~"2-18-704. Mandatory provisions. (1) An insurance~~
 24 ~~contract or plan issued after June 30, 1977, under this part~~
 25 ~~must contain provisions that permit:~~

(a) the member of a group who retires from active service under the appropriate retirement provisions provided by law to remain a member of the group until he becomes eligible for medicare under the federal Health Insurance for the Aged Act, 42 U.S.C. 1395, as amended, unless he is a participant in another group plan with substantially the same or greater benefits at an equivalent cost or unless he is employed and, by virtue of that employment, is eligible to participate in another group plan with substantially the same or greater benefits at an equivalent cost;

(b) the surviving spouse of a member to remain a member of the group as long as the spouse is eligible for retirement benefits accrued by the deceased member as provided by law unless the spouse is eligible for medicare under the federal Health Insurance for the Aged Act or unless the spouse has or is eligible for equivalent insurance coverage as provided in subsection (1)(a);

(c) the surviving children of a member to remain members of the group as long as they are eligible for retirement benefits accrued by the deceased member as provided by law unless they have equivalent coverage as provided in subsection (1)(a) or are eligible for insurance coverage by virtue of the employment of a surviving parent or legal guardian;

(2) An insurance contract or plan issued after June 30,

1983, under this part must contain the provisions of subsection (1) for remaining a member of the group and also must permit:

(a) the spouse of a retired member the same rights as a surviving spouse under subsection (1)(b);

(b) the spouse of a retiring member to convert a group policy as provided in 33-22-508; and

(c) continued membership in the group by anyone eligible under the provisions of this section notwithstanding the person's eligibility for medicare under the federal Health Insurance for the Aged Act;

(3) A person electing to remain a member of the group under subsections (1) and (2) must pay the full premium for his coverage and for that of his covered dependents;

(4) If an insurance contract or plan issued after the effective date of this act provides group life insurance coverage, the plan must allow an employee in an active-duty military leave status under {section 3} to convert his policy to an individual policy that does not have a war clause limitation."

NEW SECTION. SECTION 7. COORDINATION INSTRUCTION. IF HOUSE BILL NO. 734 IS PASSED AND APPROVED AND IF IT INCLUDES A PROVISION THAT THE STATE SHALL PAY THE EMPLOYEE CONTRIBUTION TO THE EMPLOYEE'S RETIREMENT SYSTEM IF THE EMPLOYEE IS RECEIVING SUPPLEMENTAL PAY, THEN [SECTION 4(2)]

1 IS VOID.

2 NEW SECTION. Section 8. Codification instruction.

3 [Sections 1 through 7 6] are intended to be codified as an
4 integral part of Title 2, chapter 18, part 6, and the
5 provisions of Title 2, chapter 18, part 6, apply to
6 [sections 1 through 7 6].

7 NEW SECTION. Section 9. Effective date. [This act] is
8 effective on passage and approval.

9 NEW SECTION. Section 10. Retroactive applicability.

10 [Sections 4 and 7 6] apply retroactively, within the meaning
11 of 1-2-109, to employees ordered to active duty under the
12 provisions of [section 3] after August 2, 1990.

-End-