

# SENATE BILL REPORT

## SB 5525

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As of February 10, 2003

**Title:** An act relating to participating in insurance plans and contracts by separated plan 2 members of certain retirement systems.

**Brief Description:** Participating in insurance plans and contracts by separated plan 2 members of certain retirement systems.

**Sponsors:** Senators Winsley, Swecker, West, Kline, Fraser, Eide, Rasmussen and Thibaudeau.

**Brief History:**

**Committee Activity:** Ways & Means: 2/10/03.

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Erik Sund (786-7454)

**Background:** Members of plan 3 of the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) may elect to retain their state employee health insurance upon separation from state employment, regardless of whether they choose to retire from their plan and collect benefits at that time. In order to be eligible for continued coverage, a separated employee must have at least 10 years of service and be at least 55 years of age. Separated employees choosing to retain coverage are responsible for paying the full cost of their insurance premiums.

Members of plan 2 of PERS, TRS, and SERS may choose to retain employee health insurance coverage when they separate from service only if they also retire at that time and begin to collect their pension benefits at that time. Retiring plan 2 members electing continued coverage must pay the full cost of their insurance premiums.

**Summary of Bill:** Members of PERS, TRS, and SERS, plan 2, may elect continued coverage under the state's employee health benefits when they leave service whether or not they retire and begin to collect their pension benefit at that time. In order to be eligible for continued coverage in this way, separating members must be at least 55 years old and have at least 10 years of service credit.

**Appropriation:** None.

**Fiscal Note:** Requested on February 6, 2003.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.