

6.577 Group hospital and medical insurance -- Premium reimbursement plan -- Employer's and recipients' contributions -- Payment for dependents -- Exemption from premium taxation -- Eligibility of members with forty-eight months of legislative service.

- (1) The board of trustees of the Judicial Form Retirement System shall arrange by appropriate contract or on a self-insured basis to provide a group hospital and medical insurance plan for present and future recipients of a retirement allowance from the Legislators' Retirement Plan. The board may authorize present and future recipients of a retirement allowance from the Legislators' Retirement Plan who are under age sixty-five (65) to be included in the state employees group for hospital and medical insurance and shall provide benefits for recipients equal to those provided to state employees having the same Medicare hospital and medical insurance eligibility status. For recipients of a retirement allowance who are not eligible for the same level of hospital and medical benefits as recipients living in Kentucky, the board shall provide a medical insurance premium reimbursement plan as described in subsection (5) of this section.
- (2) Each employer participating in the Legislators' Retirement Plan shall contribute to the plan the amount necessary to provide hospital and medical insurance as provided for under this section. The employer contribution rate shall be developed by appropriate actuarial method as a part of the determination of the total employer contribution rate to the Legislators' Retirement Plan.
- (3) Depending on the months of service credit on which the retirement allowance was based, provided that there are at least forty-eight (48) months, all or a portion of the premium required to provide hospital and medical benefits under this section shall be paid in full from the insurance fund established by KRS 6.575 for all recipients of a retirement allowance from the Legislators' Retirement Plan as follows:

Months of Service	Percentage Paid
48 to 119, inclusive	25%
120 to 131, inclusive	50%
132 to 143, inclusive	55%
144 to 155, inclusive	60%
156 to 167, inclusive	65%
168 to 179, inclusive	70%
180 to 191, inclusive	75%
192 to 203, inclusive	80%
204 to 215, inclusive	85%
216 to 227, inclusive	90%
228 to 239, inclusive	95%
240 or more	100%

The payments shall be made from the fund only if the recipient agrees to pay the remaining percentage, if any, from his monthly retirement allowance or by any other

method equally insuring payment by him. "Months of service" as used in this section shall not include service added to determine disability benefits.

- (4) The insurance fund shall pay the same percentage of the premium for the spouse and dependents of a recipient, or the beneficiary of the recipient, as the fund pays or paid for the member.
- (5) The board shall establish a medical insurance premium reimbursement plan for recipients of a retirement allowance who are not eligible for the same level of hospital and medical benefits as recipients living in Kentucky having the same Medicare hospital and medical insurance eligibility status. An eligible recipient shall file proof of payment for hospital and medical insurance premiums at the retirement office. Reimbursement to eligible recipients shall be made on a quarterly basis. The recipient shall be eligible for reimbursement of substantiated medical insurance premiums for an amount not to exceed the total monthly contribution determined by the board of trustees. The plan shall not be made available if all recipients are eligible for the same level of coverage as recipients living in Kentucky.
- (6) Premiums paid for hospital and medical insurance coverage procured under authority of this section shall be exempt from any premium tax which might otherwise be required under KRS Chapter 136. The payment of premiums by the insurance fund shall not constitute taxable income to an insured recipient. No commission shall be paid for hospital and medical insurance procured under authority of this section.
- (7) Notwithstanding any other statute to the contrary, any member with at least forty-eight (48) months of legislative service who is also eligible for benefits, or who is receiving benefits from any retirement plan or system administered by the Commonwealth shall be entitled to hospital and medical benefits as described in subsection (3) of this section, except that the number of months of service credit used in calculating the level of benefits shall be the sum of the service credited to the member in all the state-administered retirement systems or plans.
 - (a) Upon request of the member, the Legislators' Retirement Plan shall compute the member's combined service in all the state-administered retirement systems or plans, and calculate the portion of the member's premium to be paid by the Legislators' Retirement Plan, according to the criteria established in subsection (3) of this section. The state-administered retirement systems or plans shall pay to the Legislators' Retirement Plan the applicable percentage of the plan's costs of the retiree's hospital and medical premium which shall be equal to the percentage of the member's number of months of service in the applicable state-administered retirement system divided by his total combined service. The amounts paid by all the state-administered retirement systems or plans shall not be more than one hundred percent (100%) of the premium amount adopted by the respective boards of trustees.
 - (b) A member who elects hospital and medical benefits under this section shall lose any claim to insurance benefits under any of the other state-administered retirement systems or plans.

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History: Amended 2003 Ky. Acts ch. 128, sec. 4, effective June 24, 2003. -- Amended 2000 Ky. Acts ch. 448, sec. 2, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 389, sec. 4, effective July 15, 1998. -- Amended 1992 Ky. Acts ch. 92, sec. 5, effective July 14, 1992. -- Created 1982 Ky. Acts ch. 458, sec. 13, effective April 15, 1982.