

Sixty-third  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1059

Introduced by

Government and Veterans Affairs Committee

(At the request of the Public Employees Retirement System Board)

1 A BILL for an Act to amend and reenact sections 54-52.1-03.1, 54-52.1-03.4, and 54-52.1-18 of  
2 the North Dakota Century Code, relating to withdrawal of a political subdivision from the uniform  
3 group insurance program, the definition of an eligible employee, payment of the cost of uniform  
4 group insurance premiums for temporary employees, and the health savings account option  
5 offered to political subdivisions as part of the high-deductible health plan alternative under the  
6 uniform group insurance program.

7 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

8 **SECTION 1. AMENDMENT.** Section 54-52.1-03.1 of the North Dakota Century Code is  
9 amended and reenacted as follows:

10 **54-52.1-03.1. Certain political subdivisions authorized to join uniform group**  
11 **insurance program - Employer contribution.**

12 A political subdivision may extend the benefits of the uniform group insurance program  
13 under this chapter to its permanent employees, subject to minimum requirements established  
14 by the board and a minimum period of participation of sixty months. If the political subdivision  
15 withdraws from participation in the uniform group insurance program, before completing sixty  
16 months of participation, unless federal or state laws or rules are modified or interpreted in a way  
17 that makes participation by the political subdivision in the uniform group insurance program no  
18 longer allowable or appropriate. the political subdivision shall make payment to the board in an  
19 amount equal to any expenses incurred in the uniform group insurance program that exceed  
20 income received on behalf of the political subdivision's employees as determined under rules  
21 adopted by the board. The Garrison Diversion Conservancy District, and district health units  
22 required to participate in the public employees retirement system under section 54-52-02, shall  
23 participate in the uniform group insurance program under the same terms and conditions as  
24 state agencies. A retiree who has accepted a retirement allowance from a participating political

1 subdivision's retirement plan may elect to participate in the uniform group under this chapter  
2 without meeting minimum requirements at age sixty-five, when the employee's spouse reaches  
3 age sixty-five, upon the receipt of a benefit, when the political subdivision joins the uniform  
4 group insurance plan if the retiree was a member of the former plan, or when the spouse  
5 terminates employment. If a retiree or surviving spouse does not elect to participate at the times  
6 specified in this section, the retiree or surviving spouse must meet the minimum requirements  
7 established by the board. Each retiree or surviving spouse shall pay directly to the board the  
8 premiums in effect for the coverage then being provided. The board may require documentation  
9 that the retiree has accepted a retirement allowance from an eligible retirement plan other than  
10 the public employees retirement system.

11 **SECTION 2. AMENDMENT.** Section 54-52.1-03.4 of the North Dakota Century Code is  
12 amended and reenacted as follows:

13 **54-52.1-03.4. Temporary employees and employees on unpaid leave of absence.**

14 A temporary employee employed before August 1, 2007, may elect to participate in the  
15 uniform group insurance program by completing the necessary enrollment forms and qualifying  
16 under the medical underwriting requirements of the program. A temporary employee employed  
17 on or after August 1, 2007, is only eligible to participate in the uniform group insurance program  
18 if the employee is employed at least twenty hours per week and at least twenty weeks each  
19 year of employment. A temporary employee first employed after December 31, 2013, is eligible  
20 to participate in the uniform group insurance program only if the employee meets the definition  
21 of a full-time employee under section 4980H(c)(4) of the Internal Revenue Code [26 U.S.C.  
22 4980H(c)(4)]. The temporary employee or the temporary employee's employer shall pay  
23 monthly to the board the premiums in effect for the coverage being provided. In the case of a  
24 temporary employee who is an applicable taxpayer as defined in section 36B(c)(1)(A) of the  
25 Internal Revenue Code [26 U.S.C. 36B(c)(1)(A)], the temporary employee's required  
26 contribution for medical and hospital benefits self-only coverage may not exceed the maximum  
27 employee required contribution specified under section 36B(c)(2)(C) of the Internal Revenue  
28 Code [26 U.S.C. 36B(c)(2)(C)], and the employer shall pay any difference between the  
29 maximum employee required contribution for medical and hospital benefits self-only coverage  
30 and the cost of the premiums in effect for this coverage. An employer may pay health or life  
31 insurance premiums for a permanent employee on an unpaid leave of absence. A political

1 subdivision, department, board, or agency may make a contribution for coverage under this  
2 section.

3 **SECTION 3. AMENDMENT.** Section 54-52.1-18 of the North Dakota Century Code is  
4 amended and reenacted as follows:

5 **54-52.1-18. High-deductible health plan alternative with health savings account**  
6 **option.**

7 The board shall develop and implement a high-deductible health plan ~~with a health savings~~  
8 ~~account~~ as an alternative to the plan under section 54-52.1-06. The high-deductible health plan  
9 alternative with a health savings account must be made available to state employees by  
10 January 1, 2012; ~~and. The high-deductible health plan alternative~~ may be offered, at the  
11 discretion of the board, to political subdivisions after June 30, 2013. Health savings account  
12 fees for participating state employees must be paid by the employer. ~~The~~Subject to the limits of  
13 section 223(b) of the Internal Revenue Code [26 U.S.C. 233(b)], the difference between the cost  
14 of the single and family premium for eligible state employees under section 54-52.1-06 and the  
15 premium for those employees electing to participate under the high-deductible health plan  
16 under this section must be deposited in a health savings account for the benefit of each  
17 participating employee. ~~For political subdivision employees, the board shall deposit into a health~~  
18 ~~savings account for the benefit of the participating political subdivision employee, an amount~~  
19 ~~equal to the difference between the primary plan premium as established by the board and the~~  
20 ~~premium for the high-deductible health plan under this section.~~ Each new employee of a  
21 participating employer under this section must be provided the opportunity to elect the  
22 high-deductible health plan alternative. At least once each biennium, the board shall have an  
23 open enrollment period allowing existing employees of a participating employer under this  
24 section to change their coverage.