

IN THE SENATE

SENATE BILL NO. 1263

BY EDUCATION COMMITTEE

AN ACT

1 RELATING TO EDUCATION; AMENDING SECTION 33-1228, IDAHO CODE, TO REVISE PRO-
2 VISIONS REGARDING SEVERANCE ALLOWANCE AT RETIREMENT FOR A PUBLIC SCHOOL
3 EMPLOYEE.
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5 Be It Enacted by the Legislature of the State of Idaho:

6 SECTION 1. That Section 33-1228, Idaho Code, be, and the same is hereby
7 amended to read as follows:

8 33-1228. SEVERANCE ALLOWANCE AT RETIREMENT. (1) Upon separation from
9 public school employment by retirement in accordance with chapter 13, ti-
10 tle 59, Idaho Code, an employee's unused sick leave shall be determined based
11 on accumulated sick leave earned subsequent to July 1, 1976, as provided by
12 section 33-1218, Idaho Code, and shall be reported by the employer to the
13 Idaho public employee retirement system. A sum equal to one-half (1/2) of
14 the monetary value of such unused sick leave, calculated at the rate of pay
15 for such employee ~~at the time of retirement~~ during the employee's highest
16 year of salary used in the average monthly salary, as determined by the re-
17 tirement board, shall be transferred from the sick leave account provided by
18 subsection (3) of this section and shall be credited to such employee's re-
19 tirement account. Such sums shall be used by the retirement board to con-
20 tinue to pay, subject to applicable federal tax limits:

21 (a) Premiums for the retiree and the retiree's dependents at the rate
22 for the active employee's group health, long-term care, vision, pre-
23 scription drug and dental insurance programs as maintained by the
24 employer for the active employees until the retiree and/or the re-
25 tiree's spouse becomes eligible for medicare at which time the district
26 shall make available a supplemental program to medicare for the eligi-
27 ble individual. Upon the death of the retiree, the surviving spouse's
28 health coverage shall be available and continued under the same terms
29 and conditions as the retiree. Coverage may be continued for the re-
30 tiree's surviving dependent spouse and dependents until remarriage of
31 the spouse or until the retiree's surviving dependent spouse is eligi-
32 ble for a group health program by an employer. The medicare supplement
33 program will provide the same premium and benefits for all retirees
34 of all the employers served by the same insurance carrier. However, a
35 school district may make available to all retirees from that district
36 other benefits in addition to the medicare supplement program, and the
37 retiree or the district shall pay for such additional benefits.

38 (b) Premiums at the time of retirement for the retiree for the life
39 insurance program maintained by the employer which may be reduced to a
40 minimum of five thousand dollars (\$5,000) of coverage.

41 (2) The retiree may continue to pay the premiums for the health, ac-
42 cident, dental and life insurance to the extent of the funds credited to

1 the employee's account pursuant to this section, and when these funds are
2 expended, the premiums may be deducted from the retiree's allowance. Upon
3 a retiree's death, any unexpended sums remaining in the retiree's account
4 shall revert to the sick leave account. If funds are not available for
5 payment by the Idaho public employee retirement system from the retiree's
6 surviving dependent spouse's allowance, the insurance carrier shall imple-
7 ment a direct billing procedure to permit the retiree's surviving spouse to
8 continue coverage.

9 (3) Each employer shall contribute to a sick leave account maintained
10 by the public employee retirement system in trust exclusively for the pur-
11 pose of the provisions of this section. The retirement board shall serve as
12 trustee of the trust and shall be indemnified to the same extent as provided
13 in section 59-1305, Idaho Code. Assets in the trust shall not be assign-
14 able or subject to execution, garnishment or attachment or to the operation
15 of any bankruptcy or insolvency law. The rate of such contribution each pay
16 period shall consist of a percentage of employees' salaries as determined
17 by the board, and such rate shall remain in effect until next determined by
18 the board. Any excess balance in the sick leave account shall be invested,
19 and the earnings therefrom shall accrue to the sick leave account except the
20 amount required by the board to defray administrative expenses. Assets of
21 the trust may be commingled for investment purposes with other assets man-
22 aged by the retirement board. All moneys payable to the sick leave account
23 are hereby perpetually appropriated to the board and shall not be included in
24 its departmental budget.

25 (4) For purposes of this section public school employment shall be de-
26 fined to include the employees of the Idaho digital learning academy, and to
27 permit inclusion of employees of organizations funded by school districts or
28 of contributions of employees of school districts and shall include employ-
29 ees of the Idaho bureau of educational services for the deaf and the blind.