

Attorney General of Missouri

POST OFFICE BOX 899

JEFFERSON CITY, MISSOURI 65102

JOHN ASHCROFT
ATTORNEY GENERAL

(314) 751-3321

April 23, 1984

DIRECT DIAL:

OPINION LETTER NO. 6-84

The Honorable James F. Antonio, CPA
State Auditor
P. O. Box 869
Jefferson City, Missouri 65101



Dear Mr. Antonio:

This is in response to your question asking:

What is the legally authorized amount per month for the state to contribute to the Missouri State Highway Department And Missouri State Highway Patrol Medical And Life Insurance Plan on behalf of each employee?

Section 104.270, RSMo Supp. 1983, states:

The state highways and transportation commission may contribute toward a plan of hospital, surgical, medical and life insurance benefits the sum of twelve dollars per month for each employee who is a member of the state highways and transportation employees' and highway patrol retirement system. The highways and transportation commission may include coverage for members who have retired under the provisions of sections 104.010 to 104.270 in any plan for hospital, surgical and medical insurance benefits; provided such retired members are on June 14, 1977, covered under any group plan which provides such benefits for employees who are members of the highways and transportation employees' and highway patrol retirement system; and provided, further, that no contribution will be made by the commission or the state toward the cost of coverage for such retired members. The state highways and transportation commission may provide the insurance benefits

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authorized by this section by contract with insurance companies or, at its election, may provide for such coverage under section 104.515. If the state highways and transportation commission elects to contract with insurance companies or consultants concerning insurance benefits, such contract shall be open to public competitive bidding and review. Bidding shall be accomplished at intervals no greater than three years if the contract is to continue beyond contract period. The highways and transportation commission shall require the insurance carriers or consultants to keep and report all census data and premium-loss data normally required in competitive bidding and shall furnish same to all prospective bidders. [Emphasis added.]

This statute originated in 1977, H.B. 703, 1977 Missouri Laws 200, and was repealed and reenacted in 1983, H.B. 713, 1983 Missouri Legislative Service 1349, 1362 (Vernon's). The \$12.00 per employee-member per month contribution rate was not changed by the 1983 reenactment of this section.

Section 104.515.5, RSMo Supp. 1983, states:

The state shall contribute sixty-five dollars forty cents per month per employee who is a member of the Missouri state employees' retirement system, a member of the public school retirement system and who is employed by a state agency other than an institution of higher learning, the judicial retirement system, each legislator and official holding an elective state office, and if the state highways and transportation commission so elects, those employees who are members of the state highways and transportation employees' and highway patrol retirement system. This amount shall be reported as a separate item in the monthly certification of required contributions which the commissioner of administration submits to the state treasurer and shall be deposited to the separate account for hospital, surgical, medical, and life insurance benefits. All contributions made on behalf of members of the state highways and transportation employees' and highway

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patrol retirement system shall be made from highway funds. The spouses and unemancipated children under twenty-three years of age of employees who are members of the Missouri state employees' retirement system, the judicial retirement system, of each legislator and official holding an elective state office and if the highways and transportation commission so elects, the spouses and unemancipated children under twenty-three years of age of employees who are members of the state highways and transportation employees' and highway patrol retirements [sic] system shall be able to participate in the program of insurance benefits to cover hospital, surgical, and medical expenses under ¹ the provisions of subsection 7 of this section. [Emphasis added.]

¹The current \$65.40 per employee-member per month elective contribution rate is established by Section 104.515.5 of S.B. 353, 1983 Missouri Legislative Service 418, 421 (Vernon's). But see Section 104.515.5 of H.B. No. 713, 1983 Missouri Legislative Service 1349, 1372-1373 (Vernon's) (stating a \$55.40 per employee-member per month elective contribution rate). Prior to the \$65.40 rate, the elective contribution rate was \$55.40 per employee-member per month. Section 104.515.5 of H.C.S.H.B. 1720, 1645, and 1276, 1982 Missouri Laws 271, 281. Prior to the \$55.40 rate, the elective contribution rate was \$35.65 per employee-member per month. Section 104.515.5 of H.C.S.H.B. 835, 53, 591, and 830, 1981 Missouri Laws 273, 293. Prior to the \$35.65 rate, the elective contribution rate was \$12.00 per employee-member per month. Section 104.515.5 of H.B. 129, 1979 Missouri Laws 295, 296.

Section 104.515.6 of H.B. 129, 1979 Missouri Laws 295, 296, stated in part:

In addition to the state contribution authorized under subsection 5 of this section, the state shall contribute the additional amounts required, as determined by the board, to fully fund hospital, surgical, medical and life insurance benefits for all employees as defined in section 104.310, the judicial retirement system, and each legislator and official holding an elective state office. If the state highway commission has

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Section 104.270, RSMo Supp. 1983, currently authorizes a contribution rate of \$12.00 per employee-member per month. Section 104.515.5, RSMo Supp. 1983, currently authorizes a contribution rate of \$65.40 per employee-member per month, if the State Highways and Transportation System elects to provide insurance benefits under Section 104.515, RSMo Supp. 1983.

footnote 1, continued

elected to provide insurance benefits as authorized by section 104.270, the state shall contribute, from highway funds only, the additional amounts required to fully fund hospital, surgical, medical and life insurance benefits for all employees who are members of the state highway employees' and highway patrol retirement system. The provisions of this subsection shall not apply, however, to those employees participating in any other program of hospital, surgical and medical benefits provided through, or as a result of, employment with a department, any other employer, or any plan established by the federal government. This additional amount of state contribution shall not exceed twenty-three dollars and sixty-five cents, and shall be reported in the monthly certification of contribution amounts which the commissioner of administration submits to the state treasurer and shall be deposited to the separate account for hospital, surgical, medical and life insurance benefits.
. . . [Emphasis added.]

This additional contribution rate provision was repealed by Section 1 of H.C.S.H.B. 835, 53, 591 and 830, 1981 Missouri Laws 271, 275.

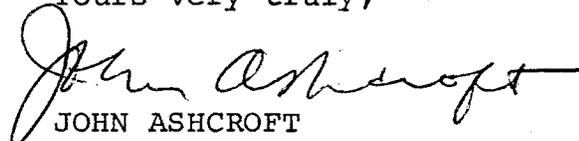
Prior to the \$12.00 per employee-member per month elective contribution rate and the additional contribution rate which had a ceiling of \$23.65, the elective contribution rate was \$12.00 per employee-member per month, and the additional contribution rate had a ceiling of \$11.65. Section 104.515.5 and .6 of S.B. 497, 1978 Missouri Laws 241, 244-245.

Prior to the effective date of S.B. 497, the elective contribution rate was \$12.00 per employee-member per month with no additional contribution rate. Section 104.515.5 of H.B. 703, 1977 Missouri Laws 200, 202. The elective contribution rate of \$12.00

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Accordingly, we conclude that the State Highways and Transportation Commission may contribute from highway funds at the rate of \$12.00 per employee-member per month toward a plan of hospital, surgical, medical and life insurance benefits under Section 104.270, RSMo Supp. 1983. If the State Highways and Transportation Commission elects to provide insurance benefits to members of the State Highways Employees' and Highway Patrol Retirement System under Section 104.515, RSMo Supp. 1983, the contribution rate is \$65.40 per employee-member per month, payable from highway funds.

Yours very truly,


JOHN ASHCROFT
Attorney General

footnote 1, continued

for the State Highway Employees' and Highway Patrol Retirement System originated at Section 104.515.5 of S.B. 513, 1976 Missouri Laws 638, 641. Prior to S.B. 513, the State Highway Commission (now, State Highways and Transportation Commission) had no election to provide insurance benefits under Section 104.515, RSMo. See Section 104.515.5 of S.B. 548, 1972 Missouri Laws 629, 639.