

**PROPOSED AMENDMENTS TO
SENATE BILL 489**

1 On page 1 of the printed bill, delete line 3 and insert “ORS 243.302 and
2 243.303.”.

3 Delete lines 5 through 31 and delete pages 2 and 3.

4 **“SECTION 1.** ORS 243.302 is amended to read:

5 “243.302. The Public Employees’ Benefit Board may group retired state
6 **and local government** employees and state employees who are not retired
7 for the purpose of entering into contracts for health insurance coverage.

8 **“SECTION 2.** ORS 243.303 is amended to read:

9 “243.303. (1) As used in this section:

10 “(a) ‘Health care’ means medical, surgical, hospital or any other remedial
11 care recognized by state law and related services and supplies and includes
12 comparable benefits for persons who rely on spiritual means of healing.

13 “(b) ‘Local government’ means any city, county, school district or other
14 special district in this state.

15 “(c) ‘Retired employee’ means a former officer or employee of a local
16 government who is retired for service or disability, and who received or is
17 receiving retirement benefits, under the Public Employees Retirement System
18 or any other retirement system or plan applicable to officers and employees
19 of the local government.

20 “(2) The governing body of any local government that contracts for or
21 otherwise makes available health care insurance coverage for officers and
22 employees of the local government shall, insofar as and to the extent possi-

1 ble, make that coverage available for any retired employee of the local gov-
2 ernment who elects within 60 days after the effective date of retirement to
3 participate in that coverage and, at the option of the retired employee, for
4 the spouse of the retired employee and any unmarried children under [18]
5 **26** years of age. The health care insurance coverage shall be made available
6 for a retired employee until the retired employee becomes eligible for federal
7 Medicare coverage, for the spouse of a retired employee until the spouse
8 becomes eligible for federal Medicare coverage and for a child until the child
9 [arrives at majority] **attains 26 years of age**, and may, but need not, be made
10 available thereafter. The governing body may prescribe reasonable terms and
11 conditions of eligibility and coverage, not inconsistent with this section, for
12 making the health care insurance coverage available. The local government
13 may pay none of the cost of making that coverage available or may agree,
14 by collective bargaining agreement or otherwise, to pay part or all of that
15 cost.

16 “(3) **Except as provided in subsection (4) of this section**, a local gov-
17 ernment and a health care insurer may not create a group solely for the
18 purpose of rating or of establishing a premium for health care insurance
19 coverage of retired employees and their dependents that is separate from the
20 group for health care insurance coverage of officers and employees of the
21 local government and their dependents. Nothing in this subsection prevents
22 a local government from allocating rates or premiums differently among re-
23 tired employees and their dependents and officers and employees of the local
24 government and their dependents once the rating or premium is established.

25 “(4) **A local government shall make health care insurance coverage**
26 **available to any retired employee of the local government through**
27 **benefit plans offered to retired state employees under ORS 243.105 to**
28 **243.285.”**

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