

The EBD Update – Friday, November 16, 2007

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***** Public School Edition *****

Attorney General Opinion on School Insurance Contributions

Recently an Attorney General Opinion was issued pertaining to contributions made by the school toward employee's insurance premium. Questions pertaining to this topic had been posed to EBD in the past.

Requestor: Key, Johnny State Representative

Opinion: Pursuant to provisions of A.C.A. 6-17-1117(c)(1)(A), requiring school districts to "pay the same employer contribution rate for each eligible employee electing to participate in the public school employees' health insurance program," is the term "rate," as it is used in the above referenced statute, defined as a set dollar amount for each employee, or could it be defined as a percentage of the monthly health insurance premium? Does A.C.A. 6-17-1117 prohibit a school district from contributing a greater dollar amount to offset the health insurance premiums of school employees that select a higher-cost option such as "employee plus family" coverage? **RESPONSE:** Although the statute would benefit from legislative clarification, the term "rate" in A.C.A. 6-17-1117 is likely intended to be a set dollar amount per employee, rather than a percentage of monthly premiums. The legislature has expressed its intent for the contribution rate under subsection 6-17-1117(a) to be a minimum, see Act 229 of 2007, but there is no evidence that school districts have been given the option of setting the rate at anything other than a dollar amount per employee. Accordingly, the answer to your second question is in all likelihood "yes."

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Thanksgiving

The EBD Offices will be closed on Thursday, November 22nd and Friday, November 23rd in observance of Thanksgiving. We wish everyone a safe and happy holiday.

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