LOCAL GOVERNMENT CODE

TITLE 5. MATTERS AFFECTING PUBLIC OFFICERS AND EMPLOYEES

SUBTITLE C. MATTERS AFFECTING PUBLIC OFFICERS AND EMPLOYEES OF MORE THAN ONE TYPE OF LOCAL GOVERNMENT

CHAPTER 175. RIGHT OF EMPLOYEES OF CERTAIN POLITICAL SUBDIVISIONS TO PURCHASE CONTINUED HEALTH COVERAGE AT RETIREMENT

Sec. 175.001. APPLICABILITY. (a) In this section, "township" means a special district with territory that only includes a census designated place, as designated by the United States Bureau of the Census.

(b) This chapter applies to a person who:

(1) retires from:

(A) county employment in a county with a population of 75,000 or more;

(B) employment by an appraisal district in a county with a population of 75,000 or more;

(C) municipal employment in a municipality with a population of 25,000 or more;

(D) employment as a firefighter or emergency medical services provider by an emergency services district located wholly or partly in a county with a population of 150,000 or more; or

(E) employment as a firefighter, police officer, or emergency medical services provider by a township with a population of 110,000 or more; and

(2) is entitled to receive retirement benefits from a county, appraisal district, or municipal retirement plan, emergency services district, or township.

Added by Acts 1993, 73rd Leg., ch. 663, Sec. 1, eff. Sept. 1, 1993.

Renumbered from Local Government Code Sec. 174.001 by Acts 1995, 74th Leg., ch. 76, Sec. 17.01(38), eff. Sept. 1, 1995.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1363 (S.B. 654), Sec. 2, eff. June 19, 2009.

Acts 2021, 87th Leg., R.S., Ch. 337 (H.B. 2171), Sec. 1, eff. September 1, 2021.

Acts 2023, 88th Leg., R.S., Ch. 787 (H.B. 5344), Sec. 1, eff. September 1, 2023.

Sec. 175.002. RIGHT TO PURCHASE CONTINUED COVERAGE. (a) A person to whom this chapter applies is entitled to purchase continued health benefits coverage for the person and the person's dependents as provided by this chapter unless the person is eligible for group health benefits coverage through another employer. The coverage shall be provided under the group health insurance plan or group health coverage plan provided by or through the employing political subdivision to its employees.

(b) To receive continued coverage under this chapter, the person must inform the employing political subdivision, not later than the day on which the person retires from the political subdivision, that the person elects to continue coverage.

(c) If the person elects to continue coverage for the person and on any subsequent date elects to discontinue such coverage, the person is no longer eligible for coverage under this chapter.

(d) If the person elects to continue coverage for any dependent and on any subsequent date elects to discontinue such coverage, the dependent is no longer eligible for coverage under this chapter.

Added by Acts 1993, 73rd Leg., ch. 663, Sec. 1, eff. Sept. 1, 1993.
Renumbered from Local Government Code Sec. 174.002 by Acts 1995, 74th Leg., ch. 76, Sec. 17.01(38), eff. Sept. 1, 1995.
Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1363 (S.B. 654), Sec. 3, eff. June 19, 2009.

Sec. 175.003. LEVEL OF COVERAGE. (a) The person may elect to cover the same persons who were covered under the political subdivision's group health insurance plan or group health coverage plan through the person at the time the person left employment with the political subdivision, or the person may elect to discontinue coverage for one or more persons. A person who was not covered under the plan at the time the person to whom this chapter applies left employment with the political subdivision is not eligible for

coverage under this chapter.

(b) Except as provided by Subsections (c) and (d), the level of coverage provided under this chapter at any given time is the same level of coverage provided to current employees of the political subdivision at that time.

(c) A political subdivision may substitute Medicare supplement health benefits coverage as the coverage provided for a person who receives health benefits coverage under this chapter, including a dependent, after the date that the person becomes eligible for federal Medicare benefits.

(d) The person may elect to continue coverage at a reduced level, if offered by the political subdivision.

Added by Acts 1993, 73rd Leg., ch. 663, Sec. 1, eff. Sept. 1, 1993.
Renumbered from Local Government Code Sec. 174.003 by Acts 1995, 74th Leg., ch. 76, Sec. 17.01(38), eff. Sept. 1, 1995.
Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1363 (S.B. 654), Sec. 4, eff. June 19, 2009.

Sec. 175.004. PAYMENT FOR COVERAGE. A person who is entitled to continued coverage under this chapter is entitled to make payments for the coverage at the same time and to the same entity that payments for the coverage are made by current employees of the political subdivision.

Added by Acts 1993, 73rd Leg., ch. 663, Sec. 1, eff. Sept. 1, 1993.
Renumbered from Local Government Code Sec. 174.004 by Acts 1995, 74th Leg., ch. 76, Sec. 17.01(38), eff. Sept. 1, 1995.
Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1363 (S.B. 654), Sec. 4, eff. June 19, 2009.

Sec. 175.005. DUTY TO INFORM RETIREE OF RIGHTS. A political subdivision shall provide written notice to a person to whom this chapter may apply of the person's rights under this chapter not later than the date the person retires from the political subdivision. A political subdivision may fulfill its requirements under this section by placing the written notice required by this

section in a personnel manual or employee handbook that is available to all employees.

Added by Acts 1993, 73rd Leg., ch. 663, Sec. 1, eff. Sept. 1, 1993.

Renumbered from Local Government Code Sec. 174.005 by Acts 1995, 74th Leg., ch. 76, Sec. 17.01(38), eff. Sept. 1, 1995.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1363 (S.B. 654), Sec. 4, eff. June 19, 2009.

Sec. 175.006. CERTAIN MATTERS NOT AFFECTED. This chapter does not:

(1) prohibit a political subdivision from uniformly changing the group health insurance plan or group health coverage plan provided for its employees and retirees;

(2) affect the definition of a dependent or the eligibility requirements for a dependent under a plan;

(3) prohibit a political subdivision from agreeing with a person to deduct the cost of coverage provided under this chapter from a pension check;

(4) prohibit a political subdivision from agreeing with a person to pay for the coverage provided under this chapter provided the person reimburses the political subdivision for the actual cost of the coverage;

(5) prohibit a political subdivision or a pool established under Chapter 172 from increasing the cost of group health coverage to its employees and to persons covered under this chapter to reflect the increased cost, if any, attributable to compliance with this chapter;

(6) affect the right of a political subdivision to provide coverage under Chapter 172; or

(7) affect the right of a political subdivision or a pool established under Chapter 172 to offer the coverage at the same rate that is available to active employees or to offer the coverage at a reasonable or actual rate established for retirees that may be greater than the rate offered to active employees.

Added by Acts 1993, 73rd Leg., ch. 663, Sec. 1, eff. Sept. 1, 1993.

Renumbered from Local Government Code Sec. 174.006 by Acts 1995,

74th Leg., ch. 76, Sec. 17.01(38), eff. Sept. 1, 1995.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1363 (S.B. 654), Sec. 4, eff. June 19, 2009.

Sec. 175.007. EXEMPTIONS. (a) A political subdivision that does not provide health benefits coverage through a self-insured plan or a plan authorized under Chapter 172 is not required to provide coverage under this chapter if the political subdivision makes a good faith effort to purchase insurance coverage that includes coverage required by this chapter from an insurance company authorized to do business in this state and from pools established under Chapter 172 but is unable to find a provider for the coverage.

(b) A political subdivision that is providing coverage substantially similar to or better than the coverage required by this chapter is exempt from this chapter.

Added by Acts 1993, 73rd Leg., ch. 663, Sec. 1, eff. Sept. 1, 1993.

Renumbered from Local Government Code Sec. 174.007 by Acts 1995, 74th Leg., ch. 76, Sec. 17.01(38), eff. Sept. 1, 1995.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1363 (S.B. 654), Sec. 4, eff. June 19, 2009.