



January 20, 2026

HOUSE BILL No. 1354

DIGEST OF HB 1354 (Updated January 20, 2026 10:23 am - DI 140)

Citations Affected: IC 5-10.

Synopsis: Employee health plans for county elected officials. Requires a county to offer a program of group insurance to each county elected official if the county offers the program of group insurance to county employees and at least one county elected official.

Effective: July 1, 2026.

May

January 8, 2026, read first time and referred to Committee on Local Government.
January 20, 2026, reported — Do Pass.

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January 20, 2026

Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

HOUSE BILL No. 1354

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 5-10-8-2.6, AS AMENDED BY P.L.91-2014,
2 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]: Sec. 2.6. (a) This section applies only to local unit
4 public employers and their employees. This section does not apply to
5 public safety employees, surviving spouses, and dependents covered by
6 section 2.2 of this chapter.

7 (b) A public employer may provide programs of group insurance for
8 its employees and retired employees. **Subject to section 2.8 of this**
9 **chapter**, the public employer may, however, exclude part-time
10 employees and persons who provide services to the unit under contract
11 from any group insurance coverage that the public employer provides
12 to the employer's full-time employees. A public employer may provide
13 programs of group health insurance under this section through one (1)
14 of the following methods:

- 15 (1) By purchasing policies of group insurance.
16 (2) By establishing self-insurance programs.
17 (3) If the local unit public employer is a school corporation, by

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1 electing to provide the coverage through a state employee health
2 plan under section 6.7 of this chapter.

3 A public employer may provide programs of group insurance other
4 than group health insurance under this section by purchasing policies
5 of group insurance and by establishing self-insurance programs.
6 However, the establishment of a self-insurance program is subject to
7 the approval of the unit's fiscal body.

8 (c) A public employer may pay a part of the cost of group insurance,
9 but shall pay a part of the cost of group life insurance for local
10 employees. A public employer may pay, as supplemental wages, an
11 amount equal to the deductible portion of group health insurance as
12 long as payment of the supplemental wages will not result in the
13 payment of the total cost of the insurance by the public employer.

14 (d) An insurance contract for local employees under this section
15 may not be canceled by the public employer during the policy term of
16 the contract.

17 (e) After June 30, 1986, a public employer shall provide a group
18 health insurance program under subsection (g) to each retired
19 employee:

20 (1) whose retirement date is:

21 (A) after May 31, 1986, for a retired employee who was a
22 teacher (as defined in IC 20-18-2-22) for a school corporation;
23 or

24 (B) after June 30, 1986, for a retired employee not covered by
25 clause (A);

26 (2) who will have reached fifty-five (55) years of age on or before
27 the employee's retirement date but who will not be eligible on that
28 date for Medicare coverage as prescribed by 42 U.S.C. 1395 et
29 seq.;

30 (3) who will have completed twenty (20) years of creditable
31 employment with a public employer on or before the employee's
32 retirement date, ten (10) years of which must have been
33 completed immediately preceding the retirement date; and

34 (4) who will have completed at least fifteen (15) years of
35 participation in the retirement plan of which the employee is a
36 member on or before the employee's retirement date.

37 (f) A group health insurance program required by subsection (e)
38 must be equal in coverage to that offered active employees and must
39 permit the retired employee to participate if the retired employee pays
40 an amount equal to the total of the employer's and the employee's
41 premiums for the group health insurance for an active employee and if
42 the employee, within ninety (90) days after the employee's retirement



1 date, files a written request with the employer for insurance coverage.
 2 However, the employer may elect to pay any part of the retired
 3 employee's premiums.

4 (g) A retired employee's eligibility to continue insurance under
 5 subsection (e) ends when the employee becomes eligible for Medicare
 6 coverage as prescribed by 42 U.S.C. 1395 et seq., or when the
 7 employer terminates the health insurance program. A retired employee
 8 who is eligible for insurance coverage under subsection (e) may elect
 9 to have the employee's spouse covered under the health insurance
 10 program at the time the employee retires. If a retired employee's spouse
 11 pays the amount the retired employee would have been required to pay
 12 for coverage selected by the spouse, the spouse's subsequent eligibility
 13 to continue insurance under this section is not affected by the death of
 14 the retired employee. The surviving spouse's eligibility ends on the
 15 earliest of the following:

16 (1) When the spouse becomes eligible for Medicare coverage as
 17 prescribed by 42 U.S.C. 1395 et seq.

18 (2) When the employer terminates the health insurance program.

19 (3) Two (2) years after the date of the employee's death.

20 (4) The date of the spouse's remarriage.

21 (h) This subsection does not apply to an employee who is entitled
 22 to group insurance coverage under IC 20-28-10-2(b). An employee
 23 who is on leave without pay is entitled to participate for ninety (90)
 24 days in any group health insurance program maintained by the public
 25 employer for active employees if the employee pays an amount equal
 26 to the total of the employer's and the employee's premiums for the
 27 insurance. However, the employer may pay all or part of the employer's
 28 premium for the insurance.

29 (i) A public employer may provide group health insurance for
 30 retired employees or their spouses not covered by subsections (e)
 31 through (g) and may provide group health insurance that contains
 32 provisions more favorable to retired employees and their spouses than
 33 required by subsections (e) through (g). A public employer may
 34 provide group health insurance to an employee who is on leave without
 35 pay for a longer period than required by subsection (h), and may
 36 continue to pay all or a part of the employer's premium for the
 37 insurance while the employee is on leave without pay.

38 SECTION 2. IC 5-10-8-2.8 IS ADDED TO THE INDIANA CODE
 39 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 40 1, 2026]: **Sec. 2.8. (a) This section only applies to a county.**

41 **(b) If a county provides a program of group insurance described**
 42 **in section 2.6 of this chapter to county employees and at least one**



- 1 (1) county elected official, then the county must offer that program
- 2 of group insurance to each county elected official.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred House Bill 1354, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1354 as introduced.)

MAY

Committee Vote: Yeas 9, Nays 0

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