

STATE OF OKLAHOMA

2nd Session of the 43rd Legislature (1992)

SENATE BILL NO. 685

BY: HOOPER

AS INTRODUCED

AN ACT RELATING TO STATE GOVERNMENT; AMENDING 74 O.S. 1991, SECTIONS 1342 AND 1344, WHICH RELATE TO STATE EMPLOYEE FLEXIBLE BENEFITS; PROVIDING EXCEPTION; DIRECTING THE STATE AND EDUCATION EMPLOYEES GROUP INSURANCE BOARD TO DEVELOP FLEXIBLE BENEFITS PLAN FOR COUNTIES, MUNICIPALITIES AND SCHOOL DISTRICTS; CLARIFYING LANGUAGE; REMOVING REQUIREMENTS ON CONTRACTING; PROVIDING FOR CODIFICATION; PROVIDING AN EFFECTIVE DATE; AND DECLARING AN EMERGENCY.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 74 O.S. 1991, Section 1342, is amended to read as follows:

Section 1342. As used in the State Employees Flexible Benefits Act, Section 1341 et seq. of this title:

1. "Board" means the State and Education Employees Group Insurance Board;

2. "Flexible benefits plan" means a written plan providing benefits to eligible employees which meets the requirements of Title

26, Section 125 et seq. of the Internal Revenue Code of the United States and regulations promulgated thereunder;

3. "Employee" means any person eligible to participate in the State and Education Employees Group Insurance Act, Section 1301 et seq. of this title, or an employee of the Oklahoma Employment Security Commission. "Employee" shall not include a person who is an employee of the State Regents for Higher Education or any institution under the authority of the State Regents for Higher Education or any person who is an employee of any school district or political subdivision of this state, except as provided for in Section 3 of this act;

4. "Employer" means any state agency, board, commission, department, institution, authority, officer, bureau, council, office or other entity created by the Oklahoma Constitution or statutes, but shall not include the State Regents for Higher Education or any institution under the authority of the State Regents for Higher Education, any school district, or political subdivision of the state, except as provided for in Section 3 of this act; and

5. "Salary adjustment agreement" means a written agreement between an eligible employee and an employer whereby the employer agrees to adjust the salary of the employee by a stated amount or an amount equal to the cost of benefits selected under a flexible benefits plan and the employer agrees to contribute such amount to cover certain costs of the benefits selected by the eligible employee.

SECTION 2. AMENDATORY 74 O.S. 1991, Section 1344, is amended to read as follows:

Section 1344. A. The Board shall establish a flexible benefits plan. All state employers as defined in Section 1342 of this title shall offer the flexible benefits plan to employees.

B. Expenses included in an employee's salary adjustment agreement pursuant to the flexible benefits plan shall be limited to expenses for:

1. Dependent health insurance pursuant to the provisions of Section 1309 of ~~Title 74 of the Oklahoma Statutes~~ this title;

2. Insurance premiums or retirement plan premiums or payments which are supplemental to insurance or retirement programs offered by the State of Oklahoma or which are paid for under salary adjustment agreements pursuant to the provisions of paragraph 1 or 2 of subsection D of Section 7.10 of Title 62 of the Oklahoma Statutes;

3. Dependent care;

4. Medical care as defined by the Board; or

5. All other eligible programs offered under Title 26, Section 125 et seq. of the Internal Revenue Code of the United States.

C. The amount by which an employee's salary is adjusted pursuant to a salary adjustment agreement shall be excluded from income in computation of income tax withholding, unemployment payments and workers' compensation coverage. Such amount shall be included as income in computation of state retirement contributions and benefits. Provided, if the inclusions and exclusions provided in this subsection conflict with the provisions of federal law or regulations pertaining to flexible benefits plans, the Board is authorized to modify or abolish such inclusions and exclusions.

D. The Administrator of the State and Education Employees Group Insurance Board with approval of the Board shall promulgate rules, regulations and procedures as necessary ~~for implementation to~~ implement and ~~administration of~~ administer the flexible benefits plan.

~~E. The Administrator of the State and Education Employees Group Insurance Board under the direction of the Board shall contract with one or more private firms or organizations to administer the~~

~~flexible benefits plan. The contract shall be made at no cost to any employee of the State of Oklahoma.~~

~~F. All employers shall begin offering the flexible benefits plan to employees not later than January 1, 1990.~~

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1348 of Title 74, unless there is created a duplication in numbering, reads as follows:

The Board shall develop a flexible benefits plan, in accordance with the provisions of Section 1344 of Title 74 of the Oklahoma Statutes, to be made available to counties, municipalities or school districts. Individual counties, municipalities or school districts must, by a resolution adopted by the governing body, adopt a written flexible benefits plan and notify the Board in order to participate in the program. All full-time employees of a participating entity shall be given the option of participating in the program. The Board is authorized to contract with any county, municipality or school district within this state for providing a flexible benefits plan and is authorized to assess charges to participating entities to cover the costs associated with administering this program.

SECTION 4. This act shall become effective July 1, 1992.

SECTION 5. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

43-2-1594

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