

SHORT TITLE: State employees; setting the flexible benefit allowance for state employees; modifying statutory reference; effective date; emergency.

STATE OF OKLAHOMA

1st Session of the 44th Legislature (1993)

SENATE BILL NO. 400

By: Taylor and Haney of the
Senate

and

Hamilton (James) and
Steidley of the House

AS INTRODUCED

An Act relating to state employees; amending Section 10, Chapter 400, O.S.L. 1992 (74 O.S. Supp. 1992, Section 1370), which relates to the flexible benefit allowance for state employees; defining and setting the flexible benefit allowance; modifying statutory reference; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY Section 10, Chapter 400, O.S.L. 1992 (74 O.S. Supp. 1992, Section 1370), is amended to read as follows:

Section 1370. A. Subject to the requirement that a participant must elect at least the default benefits, or the basic plan, flexible benefit dollars may be used to purchase any of the benefits offered by the Council under the flexible benefits plan. A participant's flexible benefit dollars for a plan year shall consist of the sum of (1) flexible benefit allowance credited to a

participant by the participating employer, and (2) pay conversion dollars elected by a participant.

B. Each participant will be credited annually with a specified amount as a flexible benefit allowance which will be available for the purchase of benefits. The amount of the flexible benefit allowance credited to each participant shall be communicated to him or her prior to the enrollment period for each plan year. The amount of a participant's benefit allowance, which shall be the total amount the employer contributes for the payment of insurance premiums and other benefits, shall be ~~an amount as determined by law~~ One Hundred Eighty-seven Dollars and nineteen cents (\$187.19) per month or the amount determined by the Council based on a formula for determining a participant's benefit credits consistent with the requirements of ~~Code~~ 26 U.S.C., Section 125(g)(2) and regulations thereunder.

C. If a participant desires to buy benefits whose sum total of benefit prices is in excess of his or her flexible benefit allowance, the participant may elect to use pay conversion dollars to purchase such excess benefits. Pay conversion dollars may be elected through a salary reduction agreement made pursuant to the election procedures of Section ~~11~~ 1371 of this ~~act~~ title. The elected amount shall be deducted from the participant's compensation in equal amounts each pay period over the plan year. On termination of employment during a plan year, a participant shall have no obligation to pay the participating employer any pay conversion dollars allocated to the portion of the plan year after the participant's termination of employment.

D. If a participant elects benefits whose sum total of benefit prices is less than his or her flexible benefit allowance, he or she shall receive any excess flexible benefit allowance as taxable compensation. Such taxable compensation will be paid in substantially equal amounts each pay period over the plan year. On

termination during a plan year, a participant shall have no right to receive any such taxable cash compensation allocated to the portion of the plan year after the participant's termination. Nothing herein shall affect a participant's obligation to elect the minimum benefits or to accept the default benefits of the plan with corresponding reduction in the sum of his or her flexible benefit allowance equal to the sum total benefit price of such minimum benefits or default benefits.

SECTION 2. This act shall become effective July 1, 1993.

SECTION 3. 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.

44-1-0317

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