

EHB 2654

THE STATE SENATE
Tuesday, April 4, 2000

ENGROSSED

House Bill No. 2654

As Amended

ENGROSSED HOUSE BILL NO. 2654 - By: BENSON of the House and TAYLOR of the Senate.

(schools - amending Section 10, Chapter 400, O.S.L. 1992, as last amended by Section 15, Chapter 397, O.S.L. 1999 (74 O.S. Supp. 1999, Section 1370) - flexible benefit allowance - effective date - emergency)

SECTION 1. AMENDATORY Section 10, Chapter 400, O.S.L. 1992, as last amended by Section 15, Chapter 397, O.S.L. 1999 (74 O.S. Supp. 1999, 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 Oklahoma State Employees Benefits 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. Except as otherwise provided by Section 12, Chapter 384, O.S.L. 1997, each participant shall be credited annually with a specified amount as a flexible benefit allowance which shall be

1 available for the purchase of benefits. The amount of the flexible
2 benefit allowance credited to each participant shall be communicated
3 to him or her prior to the enrollment period for each plan year.

4 C. For the fiscal year ending June 30, 1998, the amount of a
5 participant's benefit allowance, which shall be the total amount the
6 employer contributes for the payment of insurance premiums or other
7 benefits, shall be Two Hundred Twenty-four Dollars and sixty-nine
8 cents (\$224.69) per month or the amount determined by the Council
9 based on a formula for determining a participant's benefit credits
10 consistent with the requirements of 26 U.S.C., Section 125(g) (2) and
11 regulations thereunder.

12 D. For the fiscal year ending June 30, 2000, and each fiscal
13 year thereafter, the amount of ~~a participant's~~ benefit allowance for
14 each participant, which shall be the total amount the employer
15 contributes for the payment of insurance premiums or other benefits,
16 shall be:

17 1. Two Hundred Sixty-two Dollars and nineteen cents (\$262.19)
18 per month or the amount determined by the Council based on a formula
19 for determining a participant's benefit credits consistent with the
20 requirements of 26 U.S.C., Section 125(g) (2) and regulations
21 thereunder; or

22 2. Two Hundred Twenty-four Dollars and sixty-nine cents
23 (\$224.69) per month plus one of the additional amounts as follows

1 for participants who elect to include one or more dependents for the
2 fiscal year ending June 30, 2000, and each fiscal year thereafter:

- 3 a. for a spouse, one-half (1/2) of the average price of
4 all high option benefit plans available for coverage
5 of a spouse,
- 6 b. for one child, one-half (1/2) of the average price of
7 all high option benefit plans available for coverage
8 of one child,
- 9 c. for two or more children, one-half (1/2) of the
10 average price of all high option benefit plans
11 available for coverage of two or more children,
- 12 d. for a spouse and one child, one-half (1/2) of the
13 average price of all high option benefit plans
14 available for coverage of a spouse and one child, or
- 15 e. for a spouse and two or more children, one-half (1/2)
16 of the average price of all high option benefit plans
17 available for coverage of a spouse and two or more
18 children.

19 E. This section shall not prohibit payments for supplemental
20 health insurance coverage made pursuant to Section 1314.4 of this
21 title or payments for the cost of providing health insurance
22 coverage for dependents of employees of the Grand River Dam
23 Authority.

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

13 G. If a participant elects benefits whose sum total of benefit
14 prices is less than ~~his or her~~ the flexible benefit allowance, ~~he or~~
15 ~~she~~ the participant shall receive any excess flexible benefit
16 allowance as taxable compensation. Such taxable compensation ~~will~~
17 shall be paid in substantially equal amounts each pay period over
18 the plan year. On termination during a plan year, a participant
19 shall have no right to receive any such taxable cash compensation
20 allocated to the portion of the plan year after the ~~participant's~~
21 termination of the participant. Nothing herein shall affect a
22 ~~participant's~~ the obligation of a participant to elect the minimum
23 benefits or to accept the default benefits of the plan with

1 corresponding reduction in the sum of ~~his or her~~ the flexible
2 benefit allowance equal to the sum total benefit price of such
3 minimum benefits or default benefits.

4 SECTION 2. This act shall become effective July 1, 2000.

5 SECTION 3. It being immediately necessary for the preservation
6 of the public peace, health and safety, an emergency is hereby
7 declared to exist, by reason whereof this act shall take effect and
8 be in full force from and after its passage and approval.

9 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 3-29-00 - DO
10 PASS, As Amended.