

STATE OF OKLAHOMA

1st Session of the 47th Legislature (1999)

SENATE BILL NO. 433

By: Wilcoxson

AS INTRODUCED

An Act relating to benefits; amending Section 7, Chapter 380, O.S.L. 1998 (70 O.S. Supp. 1998, Section 26-105); which relates to school district employees; providing exception; deleting redundant language; updating flexible benefit allowance period; providing flexible benefit allowance; providing additional flexible benefit allowance for dependent coverage; amending 74 O.S. 1991, Section 1310.1, as amended by Section 10, Chapter 380, O.S.L. 1998 (74 O.S. Supp. 1998, Section 1310.1), which relates to insurance premiums; providing for payment of one hundred percent (100%) health care coverage and fifty percent (50%) dependent coverage for school district employees by school district; providing for offset; modifying statutory reference; repealing Section 9, Chapter 380, O.S.L. 1998 (70 O.S. Supp. 1998, Section 26-107), which relates to cessation of flexible benefit allowance offset for certain school districts not participating in the State and Education Employees Group Insurance Program offered plans; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY Section 7, Chapter 380, O.S.L. 1998 (70 O.S. Supp. 1998, Section 26-105), is amended to read as follows:

Section 26-105. A. The flexible benefit allowance may be used to purchase any of the benefits offered by the school district and if such allowance is used to purchase benefits, then such amounts shall not be included as taxable income of the school district employee. A school district employee, regardless if he or she is participating in the school district sponsored major medical insurance health care plan, may elect to receive the flexible benefit allowance as taxable compensation. However, school district

employees who are not participating in the school district sponsored major medical insurance health care plan shall have no rights to nor receive any portion of the flexible benefit allowance applicable to dependent coverage as provided in subsection B of this section.

B. Each school district employee, other than superintendents, shall be credited annually with a specified amount as a flexible benefit allowance which shall 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. ~~For the fiscal year ending June 30, 1999, the amount of a classified personnel's flexible benefit allowance shall be no less than Fifty-seven Dollars (\$57.00) per month.~~ For the fiscal year ending June 30, ~~1999~~ 2000, the amount of the flexible benefit allowance for other personnel and classified employees, as defined in this act, shall be ~~no less than Eighty-five Dollars (\$85.00) per month.~~ as follows:

One Hundred Seventy-five Dollars and twenty-four cents (\$175.24) per month plus one of the additional amounts as follows for participants who elect to include one or more dependents for the fiscal year ending June 30, 2000:

- a. One Hundred Four Dollars and fifteen cents (\$104.15) for a spouse,
- b. Forty Dollars and fifty cents (\$40.50) for one child,
- c. Sixty-nine Dollars and forty-four cents (\$69.44) for two or more children,
- d. One Hundred Forty-four Dollars and sixty-five cents (\$144.65) for a spouse and one child, or
- e. One Hundred Seventy-three Dollars and fifty-nine cents (\$173.59) for a spouse and two or more children.

C. 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.

D. Each school district employee shall make an annual election of benefits under the plan during an enrollment period to be held prior to the beginning of each plan year. The enrollment period dates will be determined annually and will be announced by the school district, providing the enrollment period shall end no later than thirty (30) days before the beginning of the plan year. Each such school district employee shall make an irrevocable advance election for the plan year or the remainder thereof pursuant to such procedures as the school district shall prescribe.

E. The school district shall prescribe the forms that participants will be required to use in making their elections, and may prescribe deadlines and other procedures for filing the elections.

F. School district employees hired after the closing of the enrollment period shall be allowed to make an election as provided in this act.

G. The school district shall have the option of providing a flexible benefit allowance to the school district superintendent up to the total amount of the flexible benefit allowance given to classified personnel. Funding for the superintendent's flexible benefit allowance shall be funded by local revenue.

SECTION 2. AMENDATORY 74 O.S. 1991, Section 1310.1, as amended by Section 10, Chapter 380, O.S.L. 1998 (74 O.S. Supp. 1998, Section 1310.1), is amended to read as follows:

Section 1310.1 1. If a school district employee elects health care coverage under a plan offered by a school district, then a school district shall pay ~~fifty percent (50%)~~ one hundred percent

(100%) of the cost of the health care coverage of such employee and fifty percent (50%) of covered dependents. The ~~fifty percent (50%)~~ one hundred percent (100%) and fifty percent (50%) amount amounts shall be reduced by the flexible benefit allowance provided for in ~~Section 7 of this act~~ Section 26-105 of Title 70 of the Oklahoma Statutes.

2. The premium for education entities that participate in the health and dental insurance plans offered through the State and Education Employees Group Insurance Act shall be the same as paid by state agencies for said plans.

3. All education entities that participate in the insurance plans offered through the State and Education Employees Group Insurance Act shall forward the employer and employee premiums to the Board no later than the tenth day of each month following the month for which payment is due.

SECTION 3. REPEALER Section 9, Chapter 380, O.S.L. 1998 (70 O.S. Supp. 1998, Section 26-107), is hereby repealed.

SECTION 4. This act shall become effective July 1, 1999.

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.

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