

ENGROSSED HOUSE AMENDMENT
TO
ENGROSSED SENATE BILL NO. 110

By: Mickle, Coffee and
Wilkerson of the Senate

and

Erwin of the House

An Act relating to state employees; amending Section 6, Chapter 400, O.S.L. 1992, as last amended by Section 5, Chapter 362, O.S.L. 1997 (74 O.S. Supp. 2000, Section 1366), which relates to flexible benefits; requiring agencies provide employee benefit informational meeting and invite certain vendors; * * * providing an effective date; and declaring an emergency.

AUTHORS: Add the following House coauthors: Plunk, Wells, Stites, Hutchison and Pettigrew

AMENDMENT NO. 1. Strike the title, enacting clause and entire bill and insert

"An Act relating to state employees; amending Section 6, Chapter 400, O.S.L. 1992, as last amended by Section 5, Chapter 362, O.S.L. 1997 (74 O.S. Supp. 2000, Section 1366), which relates to flexible benefits; requiring agencies provide employee benefit informational meeting and invite certain vendors; providing purpose; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY Section 6, Chapter 400, O.S.L. 1992, as last amended by Section 5, Chapter 362, O.S.L. 1997 (74 O.S. Supp. 2000, Section 1366), is amended to read as follows:

Section 1366. A. The Oklahoma State Employees Benefits Council shall establish a flexible benefits plan in accordance with the provisions of Section 1361 et seq. of this title. All participating employers shall offer the plan to their eligible employees.

B. The Council shall interpret the plan and decide any matters arising thereunder and may adopt such rules and procedures as it deems necessary, desirable or appropriate in the administration of the plan subject to the Administrative Procedures Act. All rules and decisions of the Council shall be uniformly and consistently applied to all participants in similar circumstances and shall be conclusive and binding on all persons having an interest in the plan. When making any decision or determination, the Council shall be entitled to rely upon such information as may be furnished to it by a participant, a participating employer, legal counsel, third party administrator or the management of any individual benefit plan which is incorporated in the plan.

C. The executive director, under the direction of the Council, may contract with one or more firms or organizations to administer or provide consulting services in regard to all or any portion of the plan.

The Council shall solicit proposals on a competitive bid basis. Contracts for the flexible benefits plan shall not be subject to the provisions of the Oklahoma Central Purchasing Act, Section 85.1 et seq. of this title. The Council shall promulgate rules establishing appropriate competitive bidding criteria and procedures for contracts awarded for flexible benefits plans. When requested by the Council, the Department of Central Services shall assist the Council in the process of selecting any contracts for the design, development, communication or implementation of the plan.

When awarding a contract for services pursuant to this subsection, the Council shall satisfy itself that the contractor has no interests which would impair its ability to perform the tasks and services required and that the contractor will exercise proper independent judgment when performing its responsibilities under Section 1361 et seq. of this title and under the contract.

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

1. Premiums for any health insurance, health maintenance organization, life insurance, long term disability insurance, dental insurance or high deductible health benefit plan offered to employees and their dependents;

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

3. Dependent care;

4. Medical care, as defined by the Council; and

5. All other eligible benefit programs offered under 26 United States Code Section 125.

E. 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, federal insurance contributions act taxes, 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 Council is authorized to modify or abolish such inclusions and exclusions.

F. 1. Legal representation shall be provided by the Office of the Attorney General.

2. The executive director shall be the appointing authority and agency head. All other positions and employees shall be classified and subject to the provisions of the Merit System of Personnel Administration except actuaries and other personnel and positions in

the unclassified service as provided in Section 840-5.5 of this title.

G. No less than thirty (30) days prior to the annual deadline for making changes to state employees' benefit packages, agencies from the Executive, Judicial, and Legislative branches of state government shall, pursuant to rules and regulations promulgated by the Administrator of the Office of Personnel Management, provide an employee benefit informational meeting. Vendors approved for state payroll deductions and SoonerSave shall be invited and encouraged to have representatives attend this meeting for the purpose of providing benefit information and to facilitate the answering of state employees' questions related to health, financial planning, and other benefits.

SECTION 2. This act shall become effective July 1, 2001.

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."

Passed the House of Representatives the 18th day of April, 2001.

Presiding Officer of the House of
Representatives

Passed the Senate the ____ day of _____, 2001.

Presiding Officer of the Senate