

STATE OF OKLAHOMA

1st Session of the 48th Legislature (2001)

HOUSE BILL HB1677

By: Corn

AS INTRODUCED

An Act relating to school district insurance; amending 70 O.S. 1991, Section 5-117.5, as amended by Section 1, Chapter 359, O.S.L. 1993 (70 O.S. Supp. 2000, Section 5-117.5), which relates to school district employee health insurance plans; deleting requirement relating to school district payment of premiums; amending Section 7, Chapter 380, O.S.L. 1998, as last amended by Section 5, Chapter 308, O.S.L. 2000 (70 O.S. Supp. 2000, Section 26.105), which relates to flexible benefit allowance for school employees; changing amount of flexible benefit allowance; amending 74 O.S. 1991, Section 1310.1, as amended by Section 10, Chapter 380, O.S.L. 1998 (74 O.S. Supp. 2000, Section 1310.1), which relates to payment of school district employee insurance premiums; modifying amount of premium school district is required to pay; updating statutory cites; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 70 O.S. 1991, Section 5-117.5, as amended by Section 1, Chapter 359, O.S.L. 1993 (70 O.S. Supp. 2000, Section 5-117.5), is amended to read as follows:

Section 5-117.5 A. The board of education of each school district in this state shall provide a health insurance plan for the employees of the school district. School districts may obtain health and dental insurance coverage as provided for in the State and Education Employees Group Insurance Act or may obtain other health insurance coverage. Any school district that does not participate in the health and dental insurance plans offered through the State and Education Employees Group Insurance Act shall obtain health insurance coverage for the employees which provides open

enrollment, and provide for the continuation of health insurance coverage, including supplemental Medicare insurance coverage, for those district employees who retire from said district after September 30, 1991, with a vested benefit in the Teachers' Retirement System of Oklahoma. A retired person who begins receiving benefits from the Teachers' Retirement System of Oklahoma after September 30, 1991, who retires from a school district that provides other health insurance coverage, and who elects to continue said health insurance coverage shall pay to the school district the premium rate for the health insurance minus an amount equal to the premium rate of the Medicare supplement or the amount determined pursuant to subsection (4) of Section 1316.3 of Title 74 of the Oklahoma Statutes, whichever is less, which shall be paid by the Teachers' Retirement System of Oklahoma to the school district. The school district shall remit to the health insurance coverage provider the total premium due less any uncollected amounts payable from retired school district employees or their qualified survivors.

B. ~~A school district that participates in health insurance coverage other than the health insurance plan offered by the State and Education Employees Group Insurance Act shall not be required to pay any portion of the premiums for the employees or the dependents of the employees of said school district.~~ Unless a school district negotiates an agreement with its employees regarding health insurance pursuant to Sections 509.1 through 509.9 of this title, and to the extent that the agreement provides for the members of the recognized bargaining unit, a school district that participates in health insurance coverage other than the health insurance plan offered by the State and Education Employees Group Insurance Act is prohibited from acquiring additional or supplemental health or dental insurance for any board member, school superintendent or any other employee which is not available to all employees of said district, and said school district shall not pay a greater portion

of the ~~employee or~~ dependent premium for any health or dental insurance plan or plans provided by said school district on behalf of any board member, school superintendent or employee than that portion paid on behalf of all participating employees of said district.

C. If a school district obtains health insurance coverage from a source other than through the State and Education Employees Group Insurance Act, the employees of the school district who would be eligible to participate in the health and dental plans may require the board of education of the school district to call an election to allow said employees to vote as to whether the school district shall participate in the health and dental insurance plans offered through the State and Education Employees Group Insurance Act. Upon the filing with the board of education of a petition calling for such an election which is signed by no less than thirty percent (30%) of the eligible employees of the school district, the board of education shall call an election for the purpose of determining whether the school district shall participate in the health and dental insurance plans offered through the State and Education Employees Group Insurance Act. The election shall be held within thirty (30) days of the filing of the petition. If a majority of those eligible employees voting at the election vote to participate in the health and dental insurance plans offered through the State and Education Employees Group Insurance Act, the board of education of the school district shall apply for such participation within thirty (30) days of the election.

D. If a school district does not have any health insurance coverage of the type required by this section, that school district shall immediately be enrolled in the health and dental insurance plans offered through the State and Education Employees Group Insurance Act.

E. A carrier providing health insurance coverage for employees of a school district health insurance group which replaces a previous carrier for such school district employees shall provide coverage for each retired employee who is receiving a benefit or terminates employment with a vested benefit from the Teachers' Retirement System of Oklahoma and who is enrolled in the health insurance group by the previous carrier at the time the previous carrier providing health insurance coverage is replaced.

Notwithstanding any provision in this section to the contrary, any person who retires pursuant to the provisions of the Teachers' Retirement System of Oklahoma prior to May 1, 1993, or terminates service with a vested benefit, pursuant to the provisions of the Teachers' Retirement System of Oklahoma prior to May 1, 1993, may continue to participate in the health and dental plans authorized by the provisions of the State and Education Employees Group Insurance Act.

F. In the event a school district ceases to exist, the assets and duties of said school district are transferred to one or more other school districts, said other school district or districts do not agree to employ all of the former employees of the school district that is ceasing to exist, and said former employees who are not being reemployed have rights under federal or state law to continue group insurance coverage, the school district receiving all or a portion of the assets and duties of the annexing school district having the largest general fund revenue for the most recent preceding fiscal year for which data is available shall provide group insurance coverage to said former employees not being retained during the period as required by law.

SECTION 2 AMENDATORY Section 7, Chapter 380, O.S.L. 1998, as last amended by Section 5, Chapter 308, O.S.L. 2000 (70 O.S. Supp. 2000, Section 26-105), is amended to read as follows:

Section 26-105. A. At a minimum, the flexible benefit allowance may be used by a school district employee that is participating in the cafeteria plan to purchase major medical health care plan coverage offered by the school district through a cafeteria plan, or the excess flexible benefit allowance may be used to purchase any of the additional benefits offered by the school district. A school district employee that is not participating in the school district sponsored cafeteria plan, may elect to receive the flexible benefit allowance as taxable compensation.

B. Each eligible school district employee 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 eligible school district employee shall be communicated to the employee prior to the enrollment period for each plan year. For the fiscal year ending June 30, ~~2001~~ 2002, the flexible benefit allowance amount for certified personnel ~~shall be no less than Fifty-seven Dollars and eighty-three cents (\$57.83) per month. For the fiscal year ending June 30, 2001, the flexible benefit allowance amount~~ and for support personnel shall be no less than ~~One Hundred Seventy Dollars and twenty-four cents (\$170.24)~~ Two Hundred Eleven Dollars and twenty-four cents (\$211.24) per month.

C. If a school district employee who is participating in the cafeteria plan elects benefits whose sum total is less than the flexible benefit allowance, the employee shall receive any excess flexible benefit allowance as taxable compensation. Such taxable compensation shall be paid in substantially equal amounts each pay period over the plan year. On termination during a plan year, a participating school district employee shall have no right to receive any such taxable cash compensation allocated to the portion of the plan year after the termination of the employee.

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 school district employees shall 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. A school district shall have the option of providing a flexible benefit allowance to the superintendent of that school district in an amount not more than the amount of the flexible benefit allowance established for certified personnel in subsection B of this section. Funding for the flexible benefit allowance for a superintendent shall be provided through local revenue.

SECTION 3. AMENDATORY 74 O.S. 1991, Section 1310.1, as amended by Section 10, Chapter 380, O.S.L. 1998 (74 O.S. Supp. 2000, 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~~ the school district shall pay ~~fifty percent (50%)~~ of the full amount of the premium cost of the health care coverage of such employee. The ~~fifty percent (50%)~~ full amount shall be reduced by the flexible benefit allowance provided for in Section ~~7~~ 26-105 of ~~this act~~ 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 4. This act shall become effective July 1, 2001.

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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