

ENROLLED SENATE
BILL NO. 586

By: Coffee, Gumm and Lerblance
of the Senate

and

Newport, Bingman, Dorman,
Plunk, Askins, McCarter,
Carey, Miller (Ray),
Pruett, Balkman, Braddock,
Harrison, Hilliard, Hyman,
Kiesel, Mass, McPeak,
Nations, Peters, Roan,
Rousselot, Shelton,
Sherrer, Shoemake, Shumate,
Smithson, Terrill, Walker
and Wilt of the House

An Act relating to state employee benefits; amending 74 O.S. 2001, Section 1344, which relates to flexible benefit plans; requiring state agencies to hold certain meetings; stating requirements, purpose and participants of meetings; requiring certain notice and access to participants; setting time limit; requiring certain information to be placed in the annual benefit enrollment materials; providing for codification; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 74 O.S. 2001, Section 1344, is amended to read as follows:

Section 1344. A. The Board shall establish a flexible benefits plan. All state employers as defined in Section 1342 of this title shall offer the flexible benefits plan to employees.

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

1. Dependent health insurance pursuant to the provisions of Section 1309 of Title 74 of the Oklahoma Statutes;

2. Insurance premiums or retirement plan premiums or payments which are supplemental to insurance or retirement programs offered by the State of Oklahoma or which are paid for under salary

adjustment agreements pursuant to the provisions of paragraph 1 ~~or~~ 2, 3 or 4 of subsection ~~D~~ B of Section 7.10 of Title 62 of the Oklahoma Statutes;

3. Dependent care;

4. Medical care as defined by the Board; or

5. All other eligible programs offered under Title 26, Section 125 et seq. of the Internal Revenue Code of the United States.

C. 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, 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 Board is authorized to modify or abolish such inclusions and exclusions.

D. The Administrator of the State and Education Employees Group Insurance Board with approval of the Board shall promulgate rules, regulations and procedures as necessary for implementation and administration of the flexible benefits plan.

E. The Administrator of the State and Education Employees Group Insurance Board under the direction of the Board shall contract with one or more private firms or organizations to administer the flexible benefits plan. The contract shall be made at no cost to any employee of the State of Oklahoma.

F. All employers shall begin offering the flexible benefits plan to employees not later than January 1, 1990.

G. No less than fifteen (15) working days prior to the annual deadline for making changes to state employees' benefit packages, all state agencies shall provide a one-day employee benefit informational meeting. Representatives of vendors that have an authorized payroll deduction for state employees pursuant to Section 7.10 of Title 62 of the Oklahoma Statutes or Section 1701 of this title shall be invited and encouraged to attend these meetings to provide benefit information and answer questions of state employees related to health, financial planning and other benefits. Agencies shall provide vendors with adequate space within which to meet with employees. Agencies shall provide adequate notice of the meetings to active and retired employees, and shall allow each active employee to spend at least thirty (30) minutes during the workday to attend the meetings. For those state government facilities that operate twenty-four (24) hours a day, vendors shall be allowed access to each shift.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1344.1 of Title 74, unless there is created a duplication in numbering, reads as follows:

Materials from vendors that have an authorized payroll deduction for state employees pursuant to Section 7.10 of Title 62 of the Oklahoma Statutes or Section 1701 of Title 74 of the Oklahoma Statutes shall be placed in the annual benefit enrollment materials provided to state employees and their dependents.

SECTION 3. This act shall become effective July 1, 2005.

SECTION 4. 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 Senate the 17th day of May, 2005.

Presiding Officer of the Senate

Passed the House of Representatives the 14th day of April, 2005.

Presiding Officer of the House
of Representatives