

SB 586

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THE STATE SENATE
Monday, February 14, 2005

Senate Bill No. 586

SENATE BILL NO. 586 - By: COFFEE, GUMM and LERBLANCE of the Senate and NEWPORT 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; 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~~

1 ~~2~~, 3 or 4 of subsection ~~D~~ B of Section 7.10 of Title 62 of the
2 Oklahoma Statutes;

3 3. Dependent care;

4 4. Medical care as defined by the Board; or

5 5. All other eligible programs offered under Title 26, Section
6 125 et seq. of the Internal Revenue Code of the United States.

7 C. The amount by which an employee's salary is adjusted
8 pursuant to a salary adjustment agreement shall be excluded from
9 income in computation of income tax withholding, unemployment
10 payments and workers' compensation coverage. Such amount shall be
11 included as income in computation of state retirement contributions
12 and benefits. Provided, if the inclusions and exclusions provided
13 in this subsection conflict with the provisions of federal law or
14 regulations pertaining to flexible benefits plans, the Board is
15 authorized to modify or abolish such inclusions and exclusions.

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

20 E. The Administrator of the State and Education Employees Group
21 Insurance Board under the direction of the Board shall contract with
22 one or more private firms or organizations to administer the

1 flexible benefits plan. The contract shall be made at no cost to
2 any employee of the State of Oklahoma.

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

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

21 SECTION 2. This act shall become effective July 1, 2005.

22 SECTION 3. It being immediately necessary for the preservation
23 of the public peace, health and safety, an emergency is hereby

1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.
3 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT AND GROUP HEALTH, dated
4 2-8-05 - DO PASS, As Coauthored.