

STATE OF OKLAHOMA

1st Session of the 50th Legislature (2005)

SENATE BILL 273

By: Corn

AS INTRODUCED

An Act relating to the Oklahoma Law Enforcement Retirement System; creating the "Oklahoma Law Enforcement Medical Savings Trust Program Act"; stating purpose; providing definitions; requiring creation and management of certain program and trust; providing for investment of certain contributions; providing for treatment of trust; authorizing use of certain professional services; providing for individual accounts; making account nonforfeitable; providing for certain reimbursement; requiring participating employers to make certain payment; providing for transfer upon death of member; authorizing promulgation of rules; allowing certain retrospective application; providing for certain adjustment; providing for codification; providing an effective date; and declaring an emergency.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2-316 of Title 47, unless there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Oklahoma Law Enforcement Medical Savings Trust Program Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2-317 of Title 47, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created the Oklahoma Law Enforcement Employees Medical Savings Trust Program. The purpose of this act is to create a program and trust for eligible participating members of the Oklahoma Law Enforcement Retirement System to help pay for future qualified medical expenses after termination or retirement from state service.

B. For the purposes of this act the following definitions shall apply:

1. "Board of Trustees" means the Board of Trustees of the Oklahoma Law Enforcement Retirement System.

2. "Eligible employee" means participating members of the Oklahoma Law Enforcement Retirement System;

3. "Employer contributions" means contributions paid to the trust by a participating employer as provided in subsection D of this section;

4. "Participating employer" means any entity of state government whose employees participate in the Oklahoma Law Enforcement Retirement System; and

5. "Trust" means the Oklahoma Law Enforcement Medical Savings Trust.

C. The Board of Trustees shall create the Oklahoma Law Enforcement Medical Savings Trust by January 1, 2006, and shall thereafter manage the trust and program and invest the contributions made by and on behalf of eligible employees. The trust shall be a tax exempt trust created pursuant to the Internal Revenue Code of 1986, as amended. The Board of Trustees may retain investment advisers, attorneys, consultants, vendors and any other advisers that the Board of Trustees deems necessary to provide advice and to administer the trust and program. The Board of Trustees shall establish in the trust individual employee savings accounts for eligible employees. An eligible employee's individual account shall be nonforfeitable at all times. The trust shall be authorized to make reimbursement for qualifying medical expenses which are not covered by any insurance plan or reimbursed by any other person or entity upon attainment of the earliest of the following:

1. Normal retirement date pursuant to the eligible employee's retirement system;

2. Disability retirement pursuant to the eligible employee's retirement system; or

3. After termination of employment.

To the extent funds are available in the eligible employee's individual account reimbursement shall be made to an eligible employee who has terminated or retired from state service from the eligible employee's individual savings account for all qualifying medical expenses as defined in the Internal Revenue Code of 1986, as amended.

D. A participating employer shall pay annual leave elected to be transferred by the member and all sick leave not utilized as provided in Section 2-307.2 of Title 47 of the Oklahoma Statutes, to the trust within sixty (60) days from the date of retirement or termination of an eligible employee of such participating employer.

E. Upon the death of an eligible employee, the eligible employee's individual account shall be transferred to an individual account for the benefit of the eligible employee's surviving spouse and dependents as defined in Section 152 of the Internal Revenue Code of 1986, as amended, or if there is not such surviving spouse or dependent, the eligible employee's designated beneficiary.

F. The Board of Trustees shall promulgate any rules necessary to implement the provisions of this act.

G. Eligible employees who are participating in the Deferred Retirement Options Plan on January 1, 2006, may retrospectively elect to fund his or her account with an amount equal to the actuarial cost of unused sick leave paid by the participating employer to the retirement system plus earnings computed at the greater of the actuarial assumed rate or actual earnings, less two percentage points. Upon receipt of this election, retirement benefits and accumulations in the Deferred Retirement Option Plan will be restated to reflect service reduced by unused sick leave credit transferred.

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.

50-1-1254

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