STATE OF OKLAHOMA

1st Session of the 50th Legislature (2005)

SENATE BILL 359 By: Corn

AS INTRODUCED

An Act relating to health benefits; amending 70 O.S. 2001, Section 26-105, as last amended by Section 2, Chapter 119, O.S.L. 2004 (70 O.S. Supp. 2004, Section 26-105), which relates to the Larry Dickerson Education Flexible Benefits Allowance Act; providing a dependent flexible benefit allowance for certain education employees; 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. 2001, Section 26-105, as last amended by Section 2, Chapter 119, O.S.L. 2004 (70 O.S. Supp. 2004, Section 26-105), is amended to read as follows:

Section 26-105. A. The flexible benefit allowance shall be used by a school district employee who is participating in the cafeteria plan to purchase major medical health care plan coverage offered by the school district through a cafeteria plan. Any excess flexible benefit allowance over the cost of the major medical coverage purchased by the employee who is participating in the cafeteria plan may be used to purchase any of the additional benefits offered by the school district or may be taken as taxable compensation as provided in subsection C of this section. Certified personnel who choose not to participate in the school-district-sponsored cafeteria plan shall receive Sixty-nine Dollars and seventy-one cents ($69.71) per month as taxable compensation in lieu of the flexible benefit allowance amount provided in subsection B of this section. Support personnel who choose not to participate in the school-district-sponsored cafeteria plan shall receive One Hundred Eighty-nine Dollars and sixty-nine cents ($189.69) per month

as taxable compensation in lieu of the flexible benefit allowance amount provided in subsection B of this section.

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.

1. For the fiscal year ending June 30, 2002, the flexible benefit allowance amount for certified personnel shall be no less than Sixty-nine Dollars and seventy-one cents ($69.71) per month. For the fiscal year ending June 30, 2002, the flexible benefit allowance amount for support personnel shall be no less than One Hundred Eighty-nine Dollars and sixty-nine cents ($189.69) per month.

2. For the fiscal year ending June 30, 2004, the flexible benefit allowance amount for certified personnel shall be no less than fifty-eight percent (58%) of the premium amount for the HealthChoice (Hi) option plan for an individual offered by the State and Education Employees Group Insurance Board. For the fiscal year ending June 30, 2003, and each fiscal year thereafter, the flexible benefit allowance amount for support personnel shall be no less than one hundred percent (100%) of the premium amount for the HealthChoice (Hi) option plan for an individual offered by the State and Education Employees Group Insurance Board.

3. For the fiscal year ending June 30, 2005, and each fiscal year thereafter, the flexible benefit allowance amount for certified personnel shall be no less than one hundred percent (100%) of the premium amount for the HealthChoice (Hi) option plan for an individual offered by the State and Education Employees Group Insurance Board.

4. For the fiscal year ending June 30, 2006, and each fiscal year thereafter, the flexible benefit allowance credited to each eligible school district employee who elects to purchase major medical health care plan coverage offered by the school district through a cafeteria plan for such employee's dependent or dependents shall be increased as follows:

a. for a spouse, twenty-five percent (25%) of the average price of all high option benefit plans, excluding the point-of-service plans, available for coverage of a spouse for those employees participating in the plans offered by the State and Education Employees Group Insurance Board or twenty-five percent (25%) of the price of a self-insured plan available for coverage of a spouse for eligible employees on a self-insured plan,

b. for one child, twenty-five percent (25%) of the average price of all high option benefit plans available, excluding the point-of-service plans, for coverage of one child for those employees participating in the plans offered by the State and Education Employees Group Insurance Board or twenty-five percent (25%) of the price of a self-insured plan available for coverage of one child for eligible employees on a self-insured plan,

c. for two or more children, twenty-five percent (25%) of the average price of all high option benefit plans available, excluding the point-of-service plans, for coverage of two or more children for those employees participating in the plans offered by the State and Education Employees Group Insurance Board or twenty-five percent (25%) of the price of a self-insured plan

available for coverage of two or more children for eligible employees on a self-insured plan,

d. for a spouse and one child, twenty-five percent (25%) of the average price of all high option benefit plans available, excluding the point-of-service plans, for coverage of a spouse and one child for those employees participating in the plans offered by the State and Education Employees Group Insurance Board or twenty-five percent (25%) of the price of a self-insured plan available for coverage of a spouse and one child for eligible employees on a self-insured plan, or

e. for a spouse and two or more children, twenty-five percent (25%) of the average price of all high option benefit plans available, excluding the point-of-service plans, for coverage of a spouse and two or more children for those employees participating in the plans offered by the State and Education Employees Group Insurance Board or twenty-five percent (25%) of the price of a self-insured plan available for coverage of a spouse and two or more children for eligible employees on a self-insured plan.

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 district board of education shall have the option of providing a flexible benefit allowance to the superintendent of the 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 2. This act shall become effective July 1, 2005.

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.

50-1-706 SJ 6/13/2015 8:44:41 AM