

1 STATE OF OKLAHOMA

2 2nd Session of the 51st Legislature (2008)

3 HOUSE BILL 2505

By: Shumate

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6 AS INTRODUCED

7 An Act relating to state government; amending 74 O.S.
8 2001, Section 1370, as last amended by Section 5,
9 Chapter 269, O.S.L. 2007 (74 O.S. Supp. 2007, Section
10 1370), which relates to the flexible benefit
allowance; increasing the flexible benefit allowance
for certain persons; providing an effective date; and
declaring an emergency.

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

14 SECTION 1. AMENDATORY 74 O.S. 2001, Section 1370, as
15 last amended by Section 5, Chapter 269, O.S.L. 2007 (74 O.S. Supp.
16 2007, Section 1370), is amended to read as follows:

17 Section 1370. A. Subject to the requirement that a participant
18 must elect the default benefits, the basic plan, or is a person who
19 has retired from a branch of the United States military and has been
20 provided with health care through a federal plan, to the extent that
21 it is consistent with federal law, and provides proof of this
22 coverage, flexible benefit dollars may be used to purchase any of
23 the benefits offered by the Oklahoma State Employees Benefits
24 Council under the flexible benefits plan. A participant who has

1 provided proof of other coverage as described in this subsection
2 shall not receive flexible benefit dollars if the person elects not
3 to purchase any benefits. A participant's flexible benefit dollars
4 for a plan year shall consist of the sum of (1) flexible benefit
5 allowance credited to a participant by the participating employer,
6 and (2) pay conversion dollars elected by a participant.

7 B. Each participant shall be credited annually with a specified
8 amount as a flexible benefit allowance which shall be available for
9 the purchase of benefits. The amount of the flexible benefit
10 allowance credited to each participant shall be communicated to him
11 or her prior to the enrollment period for each plan year.

12 C. Except as provided in subsection D of this section, for the
13 plan year ~~ending December 31, 2001~~ beginning January 1, 2009, and
14 each plan year thereafter, the amount of a participant's benefit
15 allowance, which shall be the total amount the employer contributes
16 for the payment of insurance premiums or other benefits, shall be:

17 1. The greater of Two Hundred Sixty-two Dollars and nineteen
18 cents (\$262.19) per month or an amount equal to the sum of the
19 average monthly premiums of all high option health insurance plans,
20 excluding the point-of-service plans, the average monthly premiums
21 of the dental plans, the monthly premium of the disability plan, and
22 the monthly premium of the basic life insurance plan offered to
23 state employees or the amount determined by the Council based on a
24 formula for determining a participant's benefit credits consistent

1 with the requirements of 26 U.S.C., Section 125(g) (2) and
2 regulations thereunder; or

3 2. The greater of Two Hundred Twenty-four Dollars and sixty-
4 nine cents (\$224.69) per month or an amount equal to the sum of the
5 average monthly premiums of all high option health insurance plans,
6 excluding the point-of-service plans, the average monthly premiums
7 of the dental plans, the monthly premium of the disability plan, and
8 the monthly premium of the basic life insurance plan offered to
9 state employees plus one of the additional amounts as follows for
10 participants who elect to include one or more dependents:

11 a. for a spouse, ~~seventy-five percent (75%)~~ one hundred
12 percent (100%) of the average price of all high option
13 benefit plans, excluding the point-of-service plans,
14 available for coverage of a spouse,

15 b. for one child, ~~seventy-five percent (75%)~~ one hundred
16 percent (100%) of the average price of all high option
17 benefit plans available, excluding the point-of-
18 service plans, for coverage of one child,

19 c. for two or more children, ~~seventy-five percent (75%)~~
20 one hundred percent (100%) of the average price of all
21 high option benefit plans available, excluding the
22 point-of-service plans, for coverage of two or more
23 children,

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- 1 d. for a spouse and one child, ~~seventy-five percent (75%)~~
2 one hundred percent (100%) of the average price of all
3 high option benefit plans available, excluding the
4 point-of-service plans, for coverage of a spouse and
5 one child, or
- 6 e. for a spouse and two or more children, ~~seventy-five~~
7 ~~percent (75%)~~ one hundred percent (100%) of the
8 average price of all high option benefit plans
9 available, excluding the point-of-service plans, for
10 coverage of a spouse and two or more children.

11 D. To the extent that it is consistent with federal law, for an
12 employee who is an eligible TRICARE beneficiary and has opted not to
13 purchase health care coverage and who purchases a group TRICARE
14 Supplemental product, the amount of the participant's benefit
15 allowance shall be equal to the sum of the monthly premium of the
16 group TRICARE Supplemental product purchased by the participant, if
17 any, the average monthly premiums of the dental plans, the monthly
18 premium of the disability plan, and the monthly premium of the basic
19 life insurance plan offered to state employees or the amount
20 determined by the Council based on a formula for determining a
21 participant's benefit credits consistent with the requirements of 26
22 U.S.C., Section 125(g)(2) and regulations thereunder. To the extent
23 that it is consistent with federal law, for each eligible dependent
24 of an employee who is an eligible TRICARE beneficiary and has opted

1 not to purchase health care coverage, if the employee purchases a
2 group TRICARE Supplemental product on behalf of the dependent, the
3 benefit allowance shall be equal to ~~seventy-five percent (75%)~~ one
4 hundred percent (100%) of the monthly premium of the group TRICARE
5 Supplemental product purchased by the participant on behalf of the
6 dependent.

7 E. This section shall not prohibit payments for supplemental
8 health insurance coverage made pursuant to Section 1314.4 of this
9 title or payments for the cost of providing health insurance
10 coverage for dependents of employees of the Grand River Dam
11 Authority.

12 F. If a participant desires to buy benefits whose sum total of
13 benefit prices is in excess of his or her flexible benefit
14 allowance, the participant may elect to use pay conversion dollars
15 to purchase such excess benefits. Pay conversion dollars may be
16 elected through a salary reduction agreement made pursuant to the
17 election procedures of Section 1371 of this title. The elected
18 amount shall be deducted from the participant's compensation in
19 equal amounts each pay period over the plan year. On termination of
20 employment during a plan year, a participant shall have no
21 obligation to pay the participating employer any pay conversion
22 dollars allocated to the portion of the plan year after the
23 participant's termination of employment.

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1 G. If a participant elects benefits whose sum total of benefit
2 prices is less than his or her flexible benefit allowance, he or she
3 shall receive any excess flexible benefit allowance as taxable
4 compensation. Such taxable compensation will be paid in
5 substantially equal amounts each pay period over the plan year. On
6 termination during a plan year, a participant shall have no right to
7 receive any such taxable cash compensation allocated to the portion
8 of the plan year after the participant's termination. Nothing
9 herein shall affect a participant's obligation to elect the minimum
10 benefits or to accept the default benefits of the plan with
11 corresponding reduction in the sum of his or her flexible benefit
12 allowance equal to the sum total benefit price of such minimum
13 benefits or default benefits.

14 SECTION 2. This act shall become effective July 1, 2008.

15 SECTION 3. It being immediately necessary for the preservation
16 of the public peace, health and safety, an emergency is hereby
17 declared to exist, by reason whereof this act shall take effect and
18 be in full force from and after its passage and approval.

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