

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 3108

By: Peterson (Ron)

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5
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
11 allowance for the state flexible benefit plan;
12 updating statutory language; clarifying statutory
13 language; modifying calculation of the flexible
14 benefit allowance amount; providing an effective
15 date; and declaring an emergency.

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

17 SECTION 1. AMENDATORY 74 O.S. 2001, Section 1370, as
18 last amended by Section 5, Chapter 269, O.S.L. 2007 (74 O.S. Supp.
19 2007, Section 1370), is amended to read as follows:

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

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

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

14 C. Except as provided in subsection D of this section, for the
15 plan year ending December 31, ~~2001~~ 2008, and each plan year
16 thereafter, the amount of ~~a participant's~~ the flexible benefit
17 allowance for each participant, which shall be the total amount the
18 employer contributes for the payment of insurance premiums or other
19 benefits, shall be:

20 1. The greater of Two Hundred Sixty-two Dollars and nineteen
21 cents (\$262.19) per month or an amount equal to the sum of the
22 average monthly premiums of all ~~high-option~~ health insurance plans,
23 excluding the point-of-service plans, the average monthly premiums
24 of the dental plans, the monthly premium of the disability plan, and

1 the monthly premium of the basic life insurance plan offered to
2 state employees for the previous plan year or the amount determined
3 by the Council based on a formula for determining a participant's
4 benefit credits consistent with the requirements of 26 U.S.C.,
5 Section 125(g) (2) and regulations thereunder; or

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

- 15 a. for a spouse, seventy-five percent (75%) of the
16 average price of all ~~high-option~~ benefit plans,
17 excluding the point-of-service plans, available for
18 coverage of a spouse for the previous plan year,
- 19 b. for one child, seventy-five percent (75%) of the
20 average price of all ~~high-option~~ benefit plans
21 available, excluding the point-of-service plans, for
22 coverage of one child for the previous plan year,
- 23 c. for two or more children, seventy-five percent (75%)
24 of the average price of all ~~high-option~~ benefit plans

1 available, excluding the point-of-service plans, for
2 coverage of two or more children for the previous plan
3 year,

4 d. for a spouse and one child, seventy-five percent (75%)
5 of the average price of all ~~high-option~~ benefit plans
6 available, excluding the point-of-service plans, for
7 coverage of a spouse and one child for the previous
8 plan year, or

9 e. for a spouse and two or more children, seventy-five
10 percent (75%) of the average price of all ~~high-option~~
11 benefit plans available, excluding the point-of-
12 service plans, for coverage of a spouse and two or
13 more children for the previous plan year.

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

1 participant consistent with the requirements of 26 U.S.C., Section
2 125(g) (2) and regulations thereunder. To the extent that it is
3 consistent with federal law, for each eligible dependent of an
4 employee who is an eligible TRICARE beneficiary and has opted not to
5 purchase health care coverage, if the employee purchases a group
6 TRICARE Supplemental product on behalf of the dependent, the benefit
7 allowance shall be equal to seventy-five percent (75%) of the
8 monthly premium of the group TRICARE Supplemental product purchased
9 by the participant on behalf of the dependent.

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

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

1 participating employer any pay conversion dollars allocated to the
2 portion of the plan year after the ~~participant's~~ termination of
3 employment.

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

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

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

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24 51-2-8436 KB 01/11/08