

STATE OF OKLAHOMA

1st Session of the 51st Legislature (2007)

SENATE BILL 1099

By: Leftwich

AS INTRODUCED

An Act relating to state government; amending 74 O.S. 2001, Section 1316.3, as last amended by Section 3, Chapter 198, O.S.L. 2005 (74 O.S. Supp. 2006, Section 1316.3), which relates to health insurance benefits for persons retired pursuant to the Teachers' Retirement System of Oklahoma; adding type of retiree eligible for certain payment; specifying manner of certain payment; providing an additional benefit for certain retired teachers; specifying amount of benefit for certain retired persons; requiring the Legislature to appropriate monies for certain purposes; providing for calculation of funding amount; 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 1316.3, as last amended by Section 3, Chapter 198, O.S.L. 2005 (74 O.S. Supp. 2006, Section 1316.3), is amended to read as follows:

Section 1316.3 A. Any person who retires pursuant to the provisions of the Teachers' Retirement System of Oklahoma with at least ten (10) years of creditable service or who has a vested benefit with at least ten (10) years of creditable service, pursuant

1 to the provisions of the Teachers' Retirement System of Oklahoma may
2 continue in force the health and dental insurance benefits
3 authorized by the provisions of the State and Education Employees
4 Group Insurance Act if such election to continue in force or begin
5 is made within thirty (30) days from the date of termination of
6 service. Except as provided in subsection E of Sections 5-117.5 and
7 14-108.1 of Title 70 of the Oklahoma Statutes and Section 840-2.27I
8 of this title and subsection K of this section, health and dental
9 insurance coverage may not be reinstated at a later time if the
10 election to continue in force or begin coverage is declined. Vested
11 persons who have terminated service and are not receiving benefits
12 and effective July 1, 1996, nonvested persons who have terminated
13 service with more than ten (10) years of participating service with
14 a qualifying employer, who within thirty (30) days from the date of
15 termination of service, elect to continue such coverage, shall pay
16 the full cost of said insurance premium at the rate and pursuant to
17 the terms and conditions established by the Board.

18 B. 1. Health insurance benefit plans offered pursuant to this
19 section shall include:

- 20 a. indemnity plans offered through the State and
21 Education Employees Group Insurance Board,
22 b. managed care plans offered as alternatives to the
23 indemnity plans,
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1 c. Medicare supplements offered through the State and
2 Education Employees Group Insurance Board,

3 d. Medicare risk-sharing contracts offered as
4 alternatives to the Medicare supplements offered
5 through the State and Education Employees Group
6 Insurance Board, and

7 e. any other employer-provided health insurance benefit
8 plans if the employer does not participate in the
9 plans offered pursuant to the State and Education
10 Employees Group Insurance Act.

11 2. Health insurance benefit plans offered pursuant to this
12 section shall provide prescription drug benefits, except for plans
13 designed pursuant to the Medicare Prescription Drug Improvement and
14 Modernization Act of 2003, which may or may not contain prescription
15 drug benefits, for which provision of prescription drug benefits is
16 optional, and except for plans offered pursuant to subparagraph e of
17 paragraph 1 of this subsection.

18 C. A retired person who:

19 1. Is receiving benefits from the Teachers' Retirement System
20 of Oklahoma after September 30, 1988, is under sixty-five (65) years
21 of age and is not otherwise eligible for Medicare and pursuant to
22 subsection A of this section elects to begin or to continue the
23 health insurance plan;

1 2. Is receiving benefits from the Teachers' Retirement System
2 of Oklahoma after June 30, 1993, is under sixty-five (65) years of
3 age and is not otherwise eligible for Medicare and participates in a
4 health insurance plan provided by a participating education employer
5 of the Teachers' Retirement System of Oklahoma other than a health
6 insurance plan offered pursuant to the State and Education Employees
7 Group Insurance Act or an alternative health plan offered pursuant
8 to the Oklahoma State Employees Benefits Act;

9 3. Is receiving benefits from the Teachers' Retirement System
10 of Oklahoma after September 30, 1988, made contributions to the
11 system and is sixty-five (65) years of age or older, or who is under
12 sixty-five (65) years of age and is eligible for Medicare and is a
13 participant in the State and Education Employees Group Insurance Act
14 and elects coverage under the Medicare supplement offered by the
15 State and Education Employees Group Insurance Board; ~~or~~

16 4. Is receiving benefits from the Teachers' Retirement System
17 of Oklahoma after June 30, 1993, made contributions to the system
18 and is sixty-five (65) years of age or older, or who is under sixty-
19 five (65) years of age and is eligible for Medicare and participates
20 in a health insurance plan provided by a participating education
21 employer of the Teachers' Retirement System of Oklahoma other than a
22 health insurance plan offered pursuant to the State and Education
23 Employees Group Insurance Act or an alternative health plan offered
24 pursuant to the Oklahoma State Employees Benefits Act and elects

1 coverage under the Medicare supplement offered by the State and
2 Education Employees Group Insurance Board; or

3 5. Is receiving benefits from the Teachers' Retirement System
4 of Oklahoma, has chosen not to elect to participate in a health plan
5 offered pursuant to the State and Education Employees Group
6 Insurance Act, an alternative health plan offered pursuant to the
7 Oklahoma State Employees Benefits Act or a health insurance plan
8 provided by a participating education employer of the Teachers'
9 Retirement System, and who is being covered on other group or
10 individual insurance either as a primary or a dependent,
11 shall have the amount determined pursuant to subsection E of this
12 section, or the premium rate of the health insurance benefit plan,
13 whichever is less, paid by the Teachers' Retirement System of
14 Oklahoma. If the amount paid by the Teachers' Retirement System of
15 Oklahoma does not cover the full cost of the health insurance
16 premium, the retired person shall pay the remaining amount if the
17 retired person wants to continue the coverage.

18 D. The Teachers' Retirement System shall pay the amount due
19 pursuant to the provisions of subsection C of this section as
20 follows:

21 1. For those individuals participating in plans provided
22 through the State and Education Employees Group Insurance Act,
23 payment shall be made to the Board pursuant to the provisions of
24 subsection I of this section; ~~or~~

1 2. For those individuals participating in plans provided
2 through a participating education employer of the Teachers'
3 Retirement System of Oklahoma other than a health insurance plan
4 offered pursuant to the State and Education Employees Group
5 Insurance Act, payment shall be made to the education employer; or

6 3. For those individuals who are not participating in plans
7 provided through the State and Education Employees Group Insurance
8 Act, an alternative health plan offered pursuant to the Oklahoma
9 State Employees Benefits Act or through a participating education
10 employer of the Teachers' Retirement System of Oklahoma, the payment
11 shall be made directly to the individual. Payments shall only be
12 made to those individuals who provide to the Teachers' Retirement
13 System of Oklahoma, in the manner prescribed by the System, proof of
14 payment for the insurance coverage described in this paragraph.

15 E. 1. a. Beginning July 1, ~~2000~~ 2007, the maximum benefit
16 payable by the Teachers' Retirement System of Oklahoma
17 on behalf of a retired person toward said person's
18 monthly premium for health insurance for those plans
19 specified in paragraphs 1 or 2 of subsection D of this
20 Section shall be determined in accordance with the
21 following schedule:

22		LESS THAN	
23		25 YEARS BUT	GREATER
24	LESS THAN	GREATER THAN	THAN 24.99

1	AVERAGE SALARY	15 YEARS OF	14.99 YEARS OF	YEARS OF
2	USED FOR DETERMINING	CREDITABLE	CREDITABLE	CREDITABLE
3	RETIREMENT ALLOWANCE	SERVICE	SERVICE	SERVICE
4	Less than \$20,000.00	\$103.00	\$104.00	\$105.00
5	Less than \$30,000.00 but			
6	greater than \$19,999.99	\$102.00	\$103.00	\$104.00
7	Less than \$40,000.00 but			
8	greater than \$29,999.99	\$101.00	\$102.00	\$103.00
9	\$40,000.00 or greater	\$100.00	\$101.00	\$102.00

10 b. Beginning July 1, 2007, there shall be an additional
11 One Hundred Dollars (\$100.00) benefit payable by the
12 Teachers' Retirement System of Oklahoma from funds
13 appropriated pursuant to subsection L of this section
14 on behalf of a retired person toward said person's
15 monthly premium for health insurance for those plans
16 specified in paragraphs 1 or 2 of subsection D of this
17 Section.

18 2. Beginning July 1, 2007, the maximum benefit payable by the
19 Teachers' Retirement System of Oklahoma from funds appropriated
20 pursuant to subsection L of this section on behalf of a retired
21 person toward said person's monthly premium for health insurance for
22 such person who is not participating in a plan specified in
23 paragraphs 1 or 2 of subsection D of this section shall be One
24 Hundred Dollars (\$100.00).

1 For plans offered by the State and Education Employees Group
2 Insurance Board, the amount paid pursuant to this subsection shall
3 first be applied to the prescription drug coverage premium, if any.
4 Any remaining amounts shall be applied towards the medical coverage
5 premium.

6 F. If a person retires and begins to receive benefits from the
7 Teachers' Retirement System of Oklahoma or terminates service and
8 has a vested benefit with the Teachers' Retirement System of
9 Oklahoma, the person may elect, in the manner provided in subsection
10 A of this section, to participate in the dental insurance plan
11 offered through the State and Education Employees Group Insurance
12 Act. The person shall pay the full cost of the dental insurance.

13 G. Those persons who are receiving benefits from the Teachers'
14 Retirement System of Oklahoma and have health insurance coverage
15 which on the operative date of this section is being paid by the
16 education entity from which the person retired shall make the
17 election required in subsection A of this section within thirty (30)
18 days of the termination of said health insurance coverage. The
19 person making the election shall give the Board certified
20 documentation satisfactory to the Board of the termination date of
21 the other health insurance coverage.

22 H. Dependents of a deceased education employee who was on
23 active work status or on a disability leave at the time of death or
24 of a participating retirant or of any person who has elected to

1 receive a vested benefit under the Teachers' Retirement System of
2 Oklahoma may continue the health and dental insurance benefits in
3 force provided said dependents pay the full cost of such insurance
4 and they were covered as eligible dependents at the time of such
5 death and such election is made within thirty (30) days of date of
6 death. The eligibility for said benefits shall terminate for the
7 surviving children when said children cease to qualify as
8 dependents.

9 I. The amounts required to be paid by the Teachers' Retirement
10 System of Oklahoma pursuant to this section shall be forwarded no
11 later than the tenth day of each month following the month for which
12 payment is due by the Board of Trustees of the Teachers' Retirement
13 System of Oklahoma to the State and Education Employees Group
14 Insurance Board for deposit in the Education Employees Group
15 Insurance Reserve Fund.

16 J. The Teachers' Retirement System of Oklahoma shall provide
17 the State and Education Employees Group Insurance Board information
18 concerning the employers of retired and vested members necessary to
19 allow the State and Education Employees Group Insurance Board to
20 track eligibility for continued coverage.

21 K. Upon retirement from employment with the Board of Regents of
22 the University of Oklahoma, any person who is or was employed at the
23 George Nigh Rehabilitation Institute and who transferred employment
24 pursuant to Section 3427 of Title 70 of the Oklahoma Statutes, any

1 person who was employed at the Medical Technology and Research
2 Authority and who transferred employment pursuant to Section 7068 of
3 this title, and any person who is a member of the Oklahoma Law
4 Enforcement Retirement System pursuant to the authority of Section
5 2-314 of Title 47 of the Oklahoma Statutes may participate in the
6 benefits authorized by the provisions of the State and Education
7 Employees Group Insurance Act for retired participants, including
8 health, dental and life insurance benefits, if such election to
9 participate is made within thirty (30) days from the date of
10 termination of employment. Life insurance benefits for any such
11 person who transferred employment shall not exceed the coverage the
12 person had at the time of such transfer. Retirees who are persons
13 transferred employment and who participate pursuant to this
14 paragraph shall pay the premium for elected benefits less any
15 amounts paid by the retirement system pursuant to this section.

16 L. The Legislature shall appropriate for the fiscal year
17 beginning July 1, 2007 and for each fiscal year thereafter, monies
18 to the Teachers' Retirement System of Oklahoma for the purpose of
19 making the additional health insurance benefit payments provided for
20 in subparagraph b of paragraph 1 of subsection E of this section and
21 in paragraph 2 of subsection E of this section on behalf of retired
22 persons as provided in subsection C of this section. The funding
23 shall be based on the number of eligible retired persons as
24 determined pursuant to this section and the amount determined

1 pursuant to subparagraph b of paragraph 1 of subsection C of this
2 section and to paragraph 2 of subsection C of this section.

3 SECTION 2. This act shall become effective July 1, 2007.

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

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