

STATE OF OKLAHOMA

1st Session of the 52nd Legislature (2009)

HOUSE BILL 1555

By: Buck

AS INTRODUCED

An Act relating to the Teachers' Retirement System of Oklahoma; amending 74 O.S. 2001, Section 1316.3, as last amended by Section 3, Chapter 198, O.S.L. 2005 (74 O.S. Supp. 2008, Section 1316.3), which relates to payments for certain health care costs; modifying amounts payable to retirees; 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. 2008, 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 to the provisions of the Teachers' Retirement System of Oklahoma may continue in force the health and dental insurance benefits authorized by the provisions of the State and Education Employees Group Insurance Act if such election to continue in force or begin

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

14 B. 1. Health insurance benefit plans offered pursuant to this  
15 section shall include:

- 16 a. indemnity plans offered through the State and  
17 Education Employees Group Insurance Board,  
18 b. managed care plans offered as alternatives to the  
19 indemnity plans,  
20 c. Medicare supplements offered through the State and  
21 Education Employees Group Insurance Board,  
22 d. Medicare risk-sharing contracts offered as  
23 alternatives to the Medicare supplements offered  
24

1 through the State and Education Employees Group  
2 Insurance Board, and

3 e. any other employer-provided health insurance benefit  
4 plans if the employer does not participate in the  
5 plans offered pursuant to the State and Education  
6 Employees Group Insurance Act.

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

14 C. A retired person who:

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

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

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

11 4. Is receiving benefits from the Teachers' Retirement System  
12 of Oklahoma after June 30, 1993, made contributions to the system  
13 and is sixty-five (65) years of age or older, or who is under sixty-  
14 five (65) years of age and is eligible for Medicare and participates  
15 in a health insurance plan provided by a participating education  
16 employer of the Teachers' Retirement System of Oklahoma other than a  
17 health insurance plan offered pursuant to the State and Education  
18 Employees Group Insurance Act or an alternative health plan offered  
19 pursuant to the Oklahoma State Employees Benefits Act and elects  
20 coverage under the Medicare supplement offered by the State and  
21 Education Employees Group Insurance Board,  
22 shall have the amount determined pursuant to subsection E of this  
23 section, or the premium rate of the health insurance benefit plan,  
24 whichever is less, paid by the Teachers' Retirement System of

1 Oklahoma. If the amount paid by the Teachers' Retirement System of  
2 Oklahoma does not cover the full cost of the health insurance  
3 premium, the retired person shall pay the remaining amount if the  
4 retired person wants to continue the coverage.

5 D. The Teachers' Retirement System shall pay the amount due  
6 pursuant to the provisions of subsection C of this section as  
7 follows:

8 1. For those individuals participating in plans provided  
9 through the State and Education Employees Group Insurance Act,  
10 payment shall be made to the Board pursuant to the provisions of  
11 subsection I of this section; or

12 2. For those individuals participating in plans provided  
13 through a participating education employer of the Teachers'  
14 Retirement System of Oklahoma other than a health insurance plan  
15 offered pursuant to the State and Education Employees Group  
16 Insurance Act, payment shall be made to the education employer.

17 E. Beginning July 1, ~~2000~~ 2009, the maximum benefit payable by  
18 the Teachers' Retirement System of Oklahoma on behalf of a retired  
19 person toward said person's monthly premium for health insurance  
20 shall be determined in accordance with the following schedule:

		LESS THAN		
			25 YEARS BUT	GREATER
		LESS THAN	GREATER THAN	THAN 24.99
	AVERAGE SALARY	15 YEARS OF	14.99 YEARS OF	YEARS OF

1	USED FOR DETERMINING	CREDITABLE	CREDITABLE	CREDITABLE
2	RETIREMENT ALLOWANCE	SERVICE	SERVICE	SERVICE
3	Less than \$20,000.00	<del>\$103.00</del>	<del>\$104.00</del>	<del>\$105.00</del>
4		<u>\$303.00</u>	<u>\$304.00</u>	<u>\$305.00</u>
5	Less than \$30,000.00 but			
6	greater than \$19,999.99	<del>\$102.00</del>	<del>\$103.00</del>	<del>\$104.00</del>
7		<u>\$302.00</u>	<u>\$303.00</u>	<u>\$304.00</u>
8	Less than \$40,000.00 but			
9	greater than \$29,999.99	<del>\$101.00</del>	<del>\$102.00</del>	<del>\$103.00</del>
10		<u>\$301.00</u>	<u>\$302.00</u>	<u>\$303.00</u>
11	\$40,000.00 or greater	<del>\$100.00</del>	<del>\$101.00</del>	<del>\$102.00</del>
12		<u>\$300.00</u>	<u>\$301.00</u>	<u>\$302.00</u>

13 For plans offered by the State and Education Employees Group  
14 Insurance Board, the amount paid pursuant to this subsection shall  
15 first be applied to the prescription drug coverage premium, if any.  
16 Any remaining amounts shall be applied towards the medical coverage  
17 premium.

18 F. If a person retires and begins to receive benefits from the  
19 Teachers' Retirement System of Oklahoma or terminates service and  
20 has a vested benefit with the Teachers' Retirement System of  
21 Oklahoma, the person may elect, in the manner provided in subsection  
22 A of this section, to participate in the dental insurance plan  
23 offered through the State and Education Employees Group Insurance  
24 Act. The person shall pay the full cost of the dental insurance.

1 G. Those persons who are receiving benefits from the Teachers'  
2 Retirement System of Oklahoma and have health insurance coverage  
3 which on the operative date of this section is being paid by the  
4 education entity from which the person retired shall make the  
5 election required in subsection A of this section within thirty (30)  
6 days of the termination of said health insurance coverage. The  
7 person making the election shall give the Board certified  
8 documentation satisfactory to the Board of the termination date of  
9 the other health insurance coverage.

10 H. Dependents of a deceased education employee who was on  
11 active work status or on a disability leave at the time of death or  
12 of a participating retirant or of any person who has elected to  
13 receive a vested benefit under the Teachers' Retirement System of  
14 Oklahoma may continue the health and dental insurance benefits in  
15 force provided said dependents pay the full cost of such insurance  
16 and they were covered as eligible dependents at the time of such  
17 death and such election is made within thirty (30) days of date of  
18 death. The eligibility for said benefits shall terminate for the  
19 surviving children when said children cease to qualify as  
20 dependents.

21 I. The amounts required to be paid by the Teachers' Retirement  
22 System of Oklahoma pursuant to this section shall be forwarded no  
23 later than the tenth day of each month following the month for which  
24 payment is due by the Board of Trustees of the Teachers' Retirement  
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1 System of Oklahoma to the State and Education Employees Group  
2 Insurance Board for deposit in the Education Employees Group  
3 Insurance Reserve Fund.

4 J. The Teachers' Retirement System of Oklahoma shall provide  
5 the State and Education Employees Group Insurance Board information  
6 concerning the employers of retired and vested members necessary to  
7 allow the State and Education Employees Group Insurance Board to  
8 track eligibility for continued coverage.

9 K. Upon retirement from employment with the Board of Regents of  
10 the University of Oklahoma, any person who is or was employed at the  
11 George Nigh Rehabilitation Institute and who transferred employment  
12 pursuant to Section 3427 of Title 70 of the Oklahoma Statutes, any  
13 person who was employed at the Medical Technology and Research  
14 Authority and who transferred employment pursuant to Section 7068 of  
15 this title, and any person who is a member of the Oklahoma Law  
16 Enforcement Retirement System pursuant to the authority of Section  
17 2-314 of Title 47 of the Oklahoma Statutes may participate in the  
18 benefits authorized by the provisions of the State and Education  
19 Employees Group Insurance Act for retired participants, including  
20 health, dental and life insurance benefits, if such election to  
21 participate is made within thirty (30) days from the date of  
22 termination of employment. Life insurance benefits for any such  
23 person who transferred employment shall not exceed the coverage the  
24 person had at the time of such transfer. Retirees who are persons

1 transferred employment and who participate pursuant to this  
2 paragraph shall pay the premium for elected benefits less any  
3 amounts paid by the retirement system pursuant to this section.

4 SECTION 2. This act shall become effective July 1, 2009.

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

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10 52-1-6492 MAH 01/08/09

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January 9, 2009

Representative Samson Buck  
Room 510-B

Re: RBH No. 6492

RBH No. 6492 increases the maximum benefit paid by OTRS toward a retired members' monthly premium for health insurance two hundred (\$200.00) per month.

RBH No. 6492 is a retirement bill having a fiscal impact as defined by the Oklahoma Pension Legislation Analysis Act.

*Thomas E. Cummins*

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