

1 STATE OF OKLAHOMA

2 1st Session of the 53rd Legislature (2011)

3 HOUSE BILL 1738

By: Moore

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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 2,  
9 Chapter 28, O.S.L. 2009 (74 O.S. Supp. 2010, Section  
10 1370), which relates to the employee flexible benefit  
11 allowance; providing that employee benefit allowance  
12 shall not be changed for three years; authorizing  
13 Legislature to determine the benefit allowance after  
14 three years; specifying certain education employees  
15 shall not be eligible for certain allowance; and  
16 providing an effective date.

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

18 SECTION 1. AMENDATORY 74 O.S. 2001, Section 1370, as  
19 last amended by Section 2, Chapter 28, O.S.L. 2009 (74 O.S. Supp.  
20 2010, Section 1370), is amended to read as follows:

21 Section 1370. A. Subject to the requirement that a participant  
22 must elect the default benefits, the basic plan, or is a person who  
23 has retired from a branch of the United States military and has been  
24 provided with health care through a federal plan, to the extent that  
it is consistent with federal law, and provides proof of this

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

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

15 C. For the plan year ~~ending December 31, 2001, and each~~  
16 beginning January 1, 2012, the benefit allowance shall not be  
17 increased or decreased for three (3) consecutive plan years  
18 thereafter. Each plan year thereafter, the amount of a  
19 participant's the employee's and eligible dependent's benefit  
20 allowance, which shall be the total amount the employer contributes  
21 for the payment of insurance premiums or other benefits, shall be:

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

1 ~~excluding the point of service plans, the average monthly premiums~~  
2 ~~of the dental plans, the monthly premium of the disability plan, and~~  
3 ~~the monthly premium of the basic life insurance plan offered to~~  
4 ~~state employees or the amount determined by the Council based on a~~  
5 ~~formula for determining a participant's benefit credits consistent~~  
6 ~~with the requirements of 26 U.S.C., Section 125(g)(2) and~~  
7 ~~regulations thereunder; or~~

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

16           a. ~~for a spouse, seventy five percent (75%) of the~~  
17               ~~average price of all high option benefit plans,~~  
18               ~~excluding the point of service plans, available for~~  
19               ~~coverage of a spouse,~~

20           b. ~~for one child, seventy five percent (75%) of the~~  
21               ~~average price of all high option benefit plans~~  
22               ~~available, excluding the point of service plans, for~~  
23               ~~coverage of one child,~~

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1           ~~c. for two or more children, seventy five percent (75%)~~  
2           ~~of the average price of all high option benefit plans~~  
3           ~~available, excluding the point of service plans, for~~  
4           ~~coverage of two or more children,~~

5           ~~d. for a spouse and one child, seventy five percent (75%)~~  
6           ~~of the average price of all high option benefit plans~~  
7           ~~available, excluding the point of service plans, for~~  
8           ~~coverage of a spouse and one child, 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~~ determined by the Legislature.

14           D. Eligible dependents of active state employees who are  
15           employed by an education entity and are provided a financial  
16           incentive to not participate in the school district-sponsored  
17           cafeteria plan shall be ineligible to receive the dependent benefit  
18           allowance provided in this section.

19           ~~D.~~ E. This section shall not prohibit payments for supplemental  
20 health insurance coverage made pursuant to Section 1314.4 of this  
21 title or payments for the cost of providing health insurance  
22 coverage for dependents of employees of the Grand River Dam  
23 Authority.

1        ~~E.~~ F. If a participant desires to buy benefits whose sum total  
2 of benefit prices is in excess of his or her flexible benefit  
3 allowance, the participant may elect to use pay conversion dollars  
4 to purchase such excess benefits. Pay conversion dollars may be  
5 elected through a salary reduction agreement made pursuant to the  
6 election procedures of Section 1371 of this title. The elected  
7 amount shall be deducted from the participant's compensation in  
8 equal amounts each pay period over the plan year. On termination of  
9 employment during a plan year, a participant shall have no  
10 obligation to pay the participating employer any pay conversion  
11 dollars allocated to the portion of the plan year after the  
12 participant's termination of employment.

13        ~~F.~~ G. If a participant elects benefits whose sum total of  
14 benefit prices is less than his or her flexible benefit allowance,  
15 he or she shall receive any excess flexible benefit allowance as  
16 taxable compensation. Such taxable compensation will be paid in  
17 substantially equal amounts each pay period over the plan year. On  
18 termination during a plan year, a participant shall have no right to  
19 receive any such taxable cash compensation allocated to the portion  
20 of the plan year after the participant's termination. Nothing  
21 herein shall affect a participant's obligation to elect the minimum  
22 benefits or to accept the default benefits of the plan with  
23 corresponding reduction in the sum of his or her flexible benefit  
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1 allowance equal to the sum total benefit price of such minimum  
2 benefits or default benefits.

3 SECTION 2. This act shall become effective November 1, 2011.

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