

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 HOUSE BILL 2774

By: Stiles

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6 AS INTRODUCED

7 An Act relating to state government; amending 74 O.S.
8 2011, Section 1370, which relates to the Oklahoma
9 State Employees Benefits Act; modifying benefit
10 allowance amounts; providing an effective date; and
11 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. 2011, Section 1370, is
15 amended to read as follows:

16 Section 1370. A. Subject to the requirement that a participant
17 must elect the default benefits, the basic plan, or is a person who
18 has retired from a branch of the United States military and has been
19 provided with health care through a federal plan, to the extent that
20 it is consistent with federal law, or is an active employee who is
21 eligible to participate and who is a participant who has opted out
22 of the state's basic plan according to the provisions of Section ~~2~~
23 1308.3 of this ~~act~~ title, and provides proof of this coverage,
24 flexible benefit dollars may be used to purchase any of the benefits

1 offered by the Oklahoma State Employees Benefits Council under the
2 flexible benefits plan. A participant who has opted out of the
3 state's basic plan and provided proof of other coverage as described
4 in this subsection shall receive One Hundred Fifty Dollars (\$150.00)
5 in lieu of the flexible benefit monthly. A participant's flexible
6 benefit dollars for a plan year shall consist of the sum of (1)
7 flexible benefit allowance credited to a participant by the
8 participating employer, and (2) pay conversion dollars elected by a
9 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. Except as provided in subsection D of this section, for the
16 plan year ~~ending December 31, 2012~~ beginning January 1, 2013, the
17 benefit allowance shall not be less than the Plan Year 2012 benefit
18 allowance amounts, and each plan year thereafter, the amount of a
19 participant's benefit allowance, which shall be the total amount the
20 employer contributes for the payment of insurance premiums or other
21 benefits, shall be:

22 1. The greater of ~~Two Hundred Sixty-two Dollars and nineteen~~
23 ~~cents (\$262.19) per month~~ the amount of benefit which the
24 participant would have qualified as of plan year 2012, or an amount

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

10 2. The greater of ~~Two Hundred Twenty-four Dollars and sixty-~~
11 ~~nine cents (\$224.69) per month~~ the amount of benefit which the
12 participant would have qualified for as of plan year 2012 or an
13 amount equal to the ~~sum of the average~~ monthly ~~premiums~~ premium of
14 ~~all high option health insurance plans, excluding the point-of-~~
15 ~~service plans~~ the HealthChoice High Option plan, the average monthly
16 premiums of the dental plans, the monthly premium of the disability
17 plan, and the monthly premium of the basic life insurance plan
18 offered to state employees plus one of the additional amounts as
19 follows for participants who elect to include one or more
20 dependents:

21 a. for a spouse, seventy-five percent (75%) of the
22 ~~average price of all high option benefit plans,~~
23 ~~excluding the point-of-service plans~~ HealthChoice High
24 Option plan, available for coverage of a spouse,

- 1 b. for one child, seventy-five percent (75%) of the
2 ~~average price of all high option benefit plans~~
3 ~~available, excluding the point-of-service plans~~
4 HealthChoice High Option plan, for coverage of one
5 child,
- 6 c. for two or more children, seventy-five percent (75%)
7 of the ~~average price of all high option benefit plans~~
8 ~~available, excluding the point-of-service plans~~
9 HealthChoice High Option plan, for coverage of two or
10 more children,
- 11 d. for a spouse and one child, seventy-five percent (75%)
12 of the ~~average price of all high option benefit plans~~
13 ~~available, excluding the point-of-service plans~~
14 HealthChoice High Option plan, for coverage of a
15 spouse and one child, or
- 16 e. for a spouse and two or more children, seventy-five
17 percent (75%) of the ~~average price of all high option~~
18 ~~benefit plans available, excluding the point-of-~~
19 ~~service plans~~ HealthChoice High Option plan, for
20 coverage of a spouse and two or more children.

21 D. To the extent that it is consistent with federal laws and
22 regulations, and in particular the regulations set forth by the
23 Secretary of Defense in 32 C.F.R. Section 199.8(d)(6), a benefit may
24 be provided to an employee who is an eligible TRICARE beneficiary

1 whereby he or she may purchase a group TRICARE Supplemental product
2 under a qualifying cafeteria plan consistent with the requirements
3 of 26 U.S.C., Section 125, provided that (i) the State, as employer
4 may not provide any payment for nor receive any consideration or
5 compensation for offering the benefit, (ii) the employer's only
6 involvement is in providing the administrative support for the
7 benefit under the cafeteria plan and (iii) the employee's
8 participation in the plan is completely voluntary. The benefit
9 allowance under paragraph 2 of subsection C of this section of an
10 employee whose plan participation includes a group TRICARE
11 Supplemental benefit shall not include any allowance or portion
12 thereof for such TRICARE Supplemental benefit.

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

18 F. If a participant desires to buy benefits whose sum total of
19 benefit prices is in excess of his or her flexible benefit
20 allowance, the participant may elect to use pay conversion dollars
21 to purchase such excess benefits. Pay conversion dollars may be
22 elected through a salary reduction agreement made pursuant to the
23 election procedures of Section 1371 of this title. The elected
24 amount shall be deducted from the participant's compensation in

1 equal amounts each pay period over the plan year. On termination of
2 employment during a plan year, a participant shall have no
3 obligation to pay the participating employer any pay conversion
4 dollars allocated to the portion of the plan year after the
5 participant's termination of employment.

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

19 SECTION 2. This act shall become effective July 1, 2012.

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

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