

STATE OF OKLAHOMA

1st Session of the 53rd Legislature (2011)

SENATE BILL 196

By: Coates

AS INTRODUCED

An Act relating to health insurance benefits for persons retired from 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. 2010, Section 1316.3), which relates to the continuation of health insurance benefits; increasing maximum health insurance benefit payment; stating Legislative intent regarding the annual appropriation of funding for the benefit payment; 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. 2010, 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

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

16 B. 1. Health insurance benefit plans offered pursuant to this
17 section shall include:

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

- 1 d. Medicare risk-sharing contracts offered as
2 alternatives to the Medicare supplements offered
3 through the State and Education Employees Group
4 Insurance Board, and
5 e. any other employer-provided health insurance benefit
6 plans if the employer does not participate in the
7 plans offered pursuant to the State and Education
8 Employees Group Insurance Act.

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

16 C. A retired person who:

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

22 2. Is receiving benefits from the Teachers' Retirement System
23 of Oklahoma after June 30, 1993, is under sixty-five (65) years of
24 age and is not otherwise eligible for Medicare and participates in a

1 health insurance plan provided by a participating education employer
2 of the Teachers' Retirement System of Oklahoma other than a health
3 insurance plan offered pursuant to the State and Education Employees
4 Group Insurance Act or an alternative health plan offered pursuant
5 to the Oklahoma State Employees Benefits Act;

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

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

1 shall have the amount determined pursuant to subsection E of this
2 section, or the premium rate of the health insurance benefit plan,
3 whichever is less, paid by the Teachers' Retirement System of
4 Oklahoma. If the amount paid by the Teachers' Retirement System of
5 Oklahoma does not cover the full cost of the health insurance
6 premium, the retired person shall pay the remaining amount if the
7 retired person wants to continue the coverage.

8 D. The Teachers' Retirement System shall pay the amount due
9 pursuant to the provisions of subsection C of this section as
10 follows:

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

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

20 E. Beginning July 1, ~~2000~~ 2011, the maximum benefit payable by
21 the Teachers' Retirement System of Oklahoma from funds appropriated
22 pursuant to subsection L of this section on behalf of a retired
23 person toward said person's monthly premium for health insurance
24 shall be determined in accordance with the following schedule:

1		LESS THAN		
2			25 YEARS BUT	GREATER
3		LESS THAN	GREATER THAN	THAN 24.99
4	AVERAGE SALARY	15 YEARS OF	14.99 YEARS OF	YEARS OF
5	USED FOR DETERMINING	CREDITABLE	CREDITABLE	CREDITABLE
6	RETIREMENT ALLOWANCE	SERVICE	SERVICE	SERVICE
7	Less than \$20,000.00	\$103.00	\$104.00	\$105.00
8		<u>\$203.00</u>	<u>\$204.00</u>	<u>\$205.00</u>
9	Less than \$30,000.00 but			
10	greater than \$19,999.99	\$102.00	\$103.00	\$104.00
11		<u>\$202.00</u>	<u>\$203.00</u>	<u>\$204.00</u>
12	Less than \$40,000.00 but			
13	greater than \$29,999.99	\$101.00	\$102.00	\$103.00
14		<u>\$201.00</u>	<u>\$202.00</u>	<u>\$203.00</u>
15	\$40,000.00 or greater	\$100.00	\$101.00	\$102.00
16		<u>\$200.00</u>	<u>\$201.00</u>	<u>\$202.00</u>

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

22 F. If a person retires and begins to receive benefits from the
 23 Teachers' Retirement System of Oklahoma or terminates service and
 24 has a vested benefit with the Teachers' Retirement System of

Oklahoma, the person may elect, in the manner provided in subsection A of this section, to participate in the dental insurance plan offered through the State and Education Employees Group Insurance Act. The person shall pay the full cost of the dental insurance.

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

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

1 I. The amounts required to be paid by the Teachers' Retirement
2 System of Oklahoma pursuant to this section from funds appropriated
3 pursuant to subsection L of this section shall be forwarded no later
4 than the tenth day of each month following the month for which
5 payment is due by the Board of Trustees of the Teachers' Retirement
6 System of Oklahoma to the State and Education Employees Group
7 Insurance Board for deposit in the Education Employees Group
8 Insurance Reserve Fund.

9 J. The Teachers' Retirement System of Oklahoma shall provide
10 the State and Education Employees Group Insurance Board information
11 concerning the employers of retired and vested members necessary to
12 allow the State and Education Employees Group Insurance Board to
13 track eligibility for continued coverage.

14 K. Upon retirement from employment with the Board of Regents of
15 the University of Oklahoma, any person who is or was employed at the
16 George Nigh Rehabilitation Institute and who transferred employment
17 pursuant to Section 3427 of Title 70 of the Oklahoma Statutes, any
18 person who was employed at the Medical Technology and Research
19 Authority and who transferred employment pursuant to Section 7068 of
20 this title, and any person who is a member of the Oklahoma Law
21 Enforcement Retirement System pursuant to the authority of Section
22 2-314 of Title 47 of the Oklahoma Statutes may participate in the
23 benefits authorized by the provisions of the State and Education
24 Employees Group Insurance Act for retired participants, including

1 health, dental and life insurance benefits, if such election to
2 participate is made within thirty (30) days from the date of
3 termination of employment. Life insurance benefits for any such
4 person who transferred employment shall not exceed the coverage the
5 person had at the time of such transfer. Retirees who are persons
6 transferred employment and who participate pursuant to this
7 paragraph shall pay the premium for elected benefits less any
8 amounts paid by the retirement system pursuant to this section.

9 L. The Legislature shall annually appropriate adequate funding
10 from the General Revenue Fund to the Teachers' Retirement System of
11 Oklahoma for the purpose of making health insurance benefit payments
12 on behalf of retired persons as provided for in subsection C of this
13 section. The funding shall be based on the number of eligible
14 retired persons as determined pursuant to this section and the
15 amount determined pursuant to subsection E of this section or the
16 premium rate of the health insurance benefit plan, whichever is
17 less.

18 SECTION 2. This act shall become effective July 1, 2011.

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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