

1 STATE OF OKLAHOMA

2 2nd Session of the 54th Legislature (2014)

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL 1858

By: Treat of the Senate

and

Echols of the House

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9 COMMITTEE SUBSTITUTE

10 An Act relating to insurance; amending 11 O.S. 2011,
11 Section 23-108, which relates to insurance for
12 municipal employees; clarifying language; specifying
13 plans that retirees may continue to participate in;
14 removing limitation on the health insurance premiums
15 for retired employees; broadening the plans a
16 municipality may offer to retired employees; and
17 providing an effective date.

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

19 SECTION 1. AMENDATORY 11 O.S. 2011, Section 23-108, is
20 amended to read as follows:

21 Section 23-108. A. A municipality may provide hospital and
22 medical benefits, accident, health, and life insurance, or any of
23 the aforesaid, through any company authorized to do business in
24 Oklahoma, for any or all of its officers or employees and their
dependents, whether ~~said~~ the officers or employees are engaged in a
governmental or nongovernmental function of the municipality. A

1 municipality may also provide such benefits when an officer or
2 employee is ordered by proper authority to active duty in the
3 National Guard or Reserve Corps of the Armed Forces of the United
4 States. The municipality may pay a portion or all of ~~said~~ the
5 premiums from any municipal general funds, and may deduct from the
6 wages or salary of any such officer or employee, upon written
7 authority signed by the officer or employee, amounts for the payment
8 of all or any portion of the monthly premium for same.

9 B. 1. For the purposes of and as used in this subsection:

10 a. "affected municipality" means a municipality that
11 provides hospital and medical benefits, accident and
12 health insurance, or any of the aforesaid, for any or
13 all of its officers or employees and their dependents
14 pursuant to the provisions of subsection A of this
15 section,

16 b. "health insurance plan" means the hospital and medical
17 benefits, accident and health insurance, or any of the
18 aforesaid, provided by an affected municipality to its
19 officers or employees pursuant to the provisions of
20 subsection A of this section,

21 c. "retired employee" means any officer or employee of an
22 affected municipality who receives a continuing
23 benefit pursuant to the provisions of the Oklahoma
24 Public Employees Retirement System, a municipal

1 retirement system authorized pursuant to the
2 provisions of Section 48-101 et seq. of this title,
3 the Oklahoma Firefighters Pension and Retirement
4 System, or the Oklahoma Police Pension and Retirement
5 System, and who began receiving ~~said~~ the benefits
6 immediately after termination of employment, taking
7 into consideration any administrative delays in
8 establishing said continuing benefits, with an
9 affected municipality, provided that the phrase
10 "retired employee" shall include elected officers that
11 have served eight (8) or more years with an affected
12 municipality and the survivor of ~~said~~ the elected
13 officer or officer or employee, and

14 d. "survivor" means a survivor of a retired employee who
15 would have been eligible to make the election
16 authorized by this subsection and shall be determined
17 in accordance with the applicable rules of the
18 retirement system from which said retired employee
19 qualified to receive benefits. Provided, "survivor"
20 shall also mean the surviving spouse or the surviving
21 minor child or children of a person who was an
22 employee or elected official of an affected
23 municipality on or after July 1, 1992, and who
24 continuously participated in the hospital and medical

1 benefits insurance plan of ~~said~~ the affected
2 municipality at the time of the death of ~~said~~ the
3 employee.

4 2. Notwithstanding any other state or federal law, a retired
5 employee may continue ~~in force the~~ to elect coverage under any
6 health insurance plan offered by the affected municipality that last
7 employed ~~said~~ the retired employee, including any health plans
8 targeted for retirees and Medicare eligible retirees.

9 3. To participate in the health insurance plan offered by a
10 retired employee's affected municipality, the retired employee shall
11 elect to participate in the health insurance plan within thirty (30)
12 days from the date of termination of employment with ~~said~~ the
13 affected municipality.

14 4. The retired employee who participates in the health
15 insurance plan pursuant to this subsection shall pay up to the full
16 cost of ~~said~~ the health insurance plan at the rates and pursuant to
17 the terms and conditions established by the affected municipality,
18 ~~provided the amount of the retired employee's premiums and dependent~~
19 ~~premiums for said health insurance plan paid by said retired~~
20 ~~employee who is under sixty-five (65) years of age shall be no~~
21 ~~greater than one hundred twenty-five percent (125%) of the amount of~~
22 ~~the officer or employee premiums and dependent premiums for the~~
23 ~~health insurance plan paid by or on behalf of an officer or employee~~
24 ~~who is currently employed by the affected municipality.~~

1 5. An affected municipality that offers a health insurance plan
2 in accordance with this section to its officers or employees and
3 dependents shall offer ~~the same~~ a health insurance plan to those
4 retired employees and their dependents who elect to ~~continue in~~
5 ~~force or~~ participate in ~~said~~ the health insurance plan in accordance
6 with this subsection unless the retired employee or dependent is
7 ~~over~~ sixty-five (65) years of age or older and/or qualifies for
8 Medicare.

9 6. An affected municipality that provides a health insurance
10 plan to retired employees pursuant to this subsection ~~shall also~~ may
11 offer one or more, or a combination of one or more of the following
12 health care options or plans in supplement or as an alternate to
13 traditional Medicare coverage: a coordination of benefits plan, a
14 Medicare supplement (Medigap) plan, a Medicare Advantage plan (with
15 or without an optional Medicare Part D prescription drug plan), a
16 Medicare Part D prescription drug plan, or other similar health care
17 options or plans approved by the federal government's Centers for
18 Medicare and Medicaid Services, to those retired employees and their
19 dependents who are ~~over~~ sixty-five (65) years of age or older and/or
20 qualify for Medicare.

21 7. An affected municipality which participates in the plan or
22 plans offered by the State and Education Employees Group Insurance
23 Board shall not be subject to the provisions of this subsection so
24 long as ~~said~~ the participation continues.

1 8. If a retired employee who retires from an affected
2 municipality that participates in a municipal retirement system
3 authorized pursuant to the provisions of Section 48-101 et seq. of
4 this title does not receive a continuing benefit from ~~said~~ the
5 municipal retirement system because of a lump sum distribution from
6 ~~said~~ the retirement system to ~~said~~ the retired employee or because
7 ~~said~~ the municipal retirement system is discontinued, ~~said~~ the
8 retired employee shall be entitled to make the election authorized
9 pursuant to this subsection if ~~said~~ the retired employee was
10 employed by the affected municipality for at least eight (8) years
11 or was disabled due to a line-of-duty injury while employed by and
12 unable to continue similar employment with ~~said~~ the affected
13 municipality.

14 C. Public and private educational institutions of the state not
15 supported by any state appropriated funds may purchase annuity
16 contracts for any of their full-time officers and employees from any
17 insurance company organized and operated without profit to any
18 private shareholder or individual exclusively for the purpose of
19 aiding and strengthening educational institutions, whether or not
20 such company be authorized to do business in Oklahoma.

21 SECTION 2. This act shall be effective November 1, 2014.

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