

1 **SENATE FLOOR VERSION**

2 February 13, 2014

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 1858

By: Treat of the Senate

and

Echols of the House

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8
9 [insurance - municipal employees - retirees -
10 effective date]

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

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

15 Section 23-108. A. A municipality may provide hospital and
16 medical benefits, accident, health, and life insurance, or any of
17 the aforesaid, through any company authorized to do business in
18 Oklahoma, for any or all of its officers or employees and their
19 dependents, whether ~~said~~ the officers or employees are engaged in a
20 governmental or nongovernmental function of the municipality. A
21 municipality may also provide such benefits when an officer or
22 employee is ordered by proper authority to active duty in the
23 National Guard or Reserve Corps of the Armed Forces of the United
24 States. The municipality may pay a portion or all of ~~said~~ the

1 premiums from any municipal general funds, and may deduct from the
2 wages or salary of any such officer or employee, upon written
3 authority signed by the officer or employee, amounts for the payment
4 of all or any portion of the monthly premium for same.

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

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

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

17 c. "retired employee" means any officer or employee of an
18 affected municipality who receives a continuing
19 benefit pursuant to the provisions of the Oklahoma
20 Public Employees Retirement System, a municipal
21 retirement system authorized pursuant to the
22 provisions of Section 48-101 et seq. of this title,
23 the Oklahoma Firefighters Pension and Retirement
24 System, or the Oklahoma Police Pension and Retirement

1 System, and who began receiving ~~said~~ the benefits
2 immediately after termination of employment, taking
3 into consideration any administrative delays in
4 establishing said continuing benefits, with an
5 affected municipality, provided that the phrase
6 "retired employee" shall include elected officers that
7 have served eight (8) or more years with an affected
8 municipality and the survivor of ~~said~~ the elected
9 officer or officer or employee, and

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

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

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

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

22 5. An affected municipality that offers a health insurance plan
23 in accordance with this section to its officers or employees and
24 dependents shall offer ~~the same~~ a health insurance plan to those

1 retired employees and their dependents who elect to ~~continue in~~
2 ~~force or~~ participate in ~~said~~ the health insurance plan in accordance
3 with this subsection unless the retired employee or dependent is
4 ~~over~~ sixty-five (65) years of age or older and/or qualifies for
5 Medicare.

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

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

22 8. If a retired employee who retires from an affected
23 municipality that participates in a municipal retirement system
24 authorized pursuant to the provisions of Section 48-101 et seq. of

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

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

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

19 COMMITTEE REPORT BY: COMMITTEE ON INSURANCE
20 February 13, 2014 - DO PASS AS AMENDED
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