

STATE OF OKLAHOMA

1st Session of the 54th Legislature (2013)

HOUSE BILL 1647

By: Jordan

AS INTRODUCED

An Act relating to state government; amending 74 O.S. 2011, Section 1316.3, as amended by Section 963, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2012, Section 1316.3), which relates to post-retirement health care coverage for retirees of the Teachers' Retirement System of Oklahoma; providing for re-acquisition of health care coverage based upon certain actuarially determined 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. 2011, Section 1316.3, as amended by Section 963, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2012, 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 authorized by the provisions of the Oklahoma Employees Insurance and

1 Benefits Act if such election to continue in force or begin is made
2 within thirty (30) days from the date of termination of service.
3 Except as provided in subsection E of Sections 5-117.5 and 14-108.1
4 of Title 70 of the Oklahoma Statutes and Section 840-2.27I of this
5 title and subsection K of this section, health and dental insurance
6 coverage may not be reinstated at a later time if the election to
7 continue in force or begin coverage is declined. If a retired
8 member of the Teachers' Retirement System of Oklahoma ceases to have
9 health and dental care insurance coverage originally continued in
10 force pursuant to the Oklahoma Employees Insurance and Benefits Act,
11 the retired member may reacquire such coverage upon payment of an
12 as-rated premium amount which shall be actuarially determined on an
13 annual basis by the Employee Group Insurance Division of the Office
14 of Management and Enterprise Services if the retired member
15 experiences a qualifying event. If a retired member reacquires such
16 insurance coverage based on the payment of the as-rated premium
17 amount, the payment otherwise authorized pursuant to the provisions
18 of subsection E of this section shall not be made. Vested persons
19 who have terminated service and are not receiving benefits and
20 effective July 1, 1996, nonvested persons who have terminated
21 service with more than ten (10) years of participating service with
22 a qualifying employer, who within thirty (30) days from the date of
23 termination of service, elect to continue such coverage, shall pay
24 the full cost of said insurance premium at the rate and pursuant to

1 the terms and conditions established by the Office of Management and
2 Enterprise Services.

3 B. 1. Health insurance benefit plans offered pursuant to this
4 section shall include:

- 5 a. indemnity plans offered through the Office,
- 6 b. managed care plans offered as alternatives to the
7 indemnity plans,
- 8 c. Medicare supplements offered through the Office,
- 9 d. Medicare risk-sharing contracts offered as
10 alternatives to the Medicare supplements offered
11 through the Office, and
- 12 e. any other employer-provided health insurance benefit
13 plans if the employer does not participate in the
14 plans offered pursuant to the Oklahoma Employees
15 Insurance and Benefits Act.

16 2. Health insurance benefit plans offered pursuant to this
17 section shall provide prescription drug benefits, except for plans
18 designed pursuant to the Medicare Prescription Drug Improvement and
19 Modernization Act of 2003, which may or may not contain prescription
20 drug benefits, for which provision of prescription drug benefits is
21 optional, and except for plans offered pursuant to subparagraph e of
22 paragraph 1 of this subsection.

23 C. A retired person who:
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1 1. Is receiving benefits from the Teachers' Retirement System
2 of Oklahoma after September 30, 1988, is under sixty-five (65) years
3 of age and is not otherwise eligible for Medicare and pursuant to
4 subsection A of this section elects to begin or to continue the
5 health insurance plan;

6 2. Is receiving benefits from the Teachers' Retirement System
7 of Oklahoma after June 30, 1993, is under sixty-five (65) years of
8 age and is not otherwise eligible for Medicare and participates in a
9 health insurance plan provided by a participating education employer
10 of the Teachers' Retirement System of Oklahoma other than a health
11 insurance plan offered pursuant to the Oklahoma Employees Insurance
12 and Benefits Act or an alternative health plan offered pursuant to
13 the Oklahoma State Employees Benefits Act;

14 3. Is receiving benefits from the Teachers' Retirement System
15 of Oklahoma after September 30, 1988, made contributions to the
16 system and is sixty-five (65) years of age or older, or who is under
17 sixty-five (65) years of age and is eligible for Medicare and is a
18 participant in the Oklahoma Employees Insurance and Benefits Act and
19 elects coverage under the Medicare supplement offered by the Office;
20 or

21 4. Is receiving benefits from the Teachers' Retirement System
22 of Oklahoma after June 30, 1993, made contributions to the system
23 and is sixty-five (65) years of age or older, or who is under sixty-
24 five (65) years of age and is eligible for Medicare and participates

1 in a health insurance plan provided by a participating education
2 employer of the Teachers' Retirement System of Oklahoma other than a
3 health insurance plan offered pursuant to the Oklahoma Employees
4 Insurance and Benefits Act or an alternative health plan offered
5 pursuant to the Oklahoma State Employees Benefits Act and elects
6 coverage under the Medicare supplement offered by the Office,
7 shall have the amount determined pursuant to subsection E of this
8 section, or the premium rate of the health insurance benefit plan,
9 whichever is less, paid by the Teachers' Retirement System of
10 Oklahoma. If the amount paid by the Teachers' Retirement System of
11 Oklahoma does not cover the full cost of the health insurance
12 premium, the retired person shall pay the remaining amount if the
13 retired person wants to continue the coverage.

14 D. The Teachers' Retirement System shall pay the amount due
15 pursuant to the provisions of subsection C of this section as
16 follows:

17 1. For those individuals participating in plans provided
18 through the Oklahoma Employees Insurance and Benefits Act, payment
19 shall be made to the Office pursuant to the provisions of subsection
20 I of this section; or

21 2. For those individuals participating in plans provided
22 through a participating education employer of the Teachers'
23 Retirement System of Oklahoma other than a health insurance plan
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1 offered pursuant to the Oklahoma Employees Insurance and Benefits
 2 Act, payment shall be made to the education employer.

3 E. Beginning July 1, 2000, the maximum benefit payable by the
 4 Teachers' Retirement System of Oklahoma on behalf of a retired
 5 person toward said person's monthly premium for health insurance
 6 shall be determined in accordance with the following schedule:

	LESS THAN	25 YEARS BUT	GREATER
	LESS THAN	GREATER THAN	THAN 24.99
AVERAGE SALARY	15 YEARS OF	14.99 YEARS OF	YEARS OF
USED FOR DETERMINING	CREDITABLE	CREDITABLE	CREDITABLE
RETIREMENT ALLOWANCE	SERVICE	SERVICE	SERVICE
Less than \$20,000.00	\$103.00	\$104.00	\$105.00
Less than \$30,000.00 but greater than \$19,999.99	\$102.00	\$103.00	\$104.00
Less than \$40,000.00 but greater than \$29,999.99	\$101.00	\$102.00	\$103.00
\$40,000.00 or greater	\$100.00	\$101.00	\$102.00

19 For plans offered by the Office, the amount paid pursuant to
 20 this subsection shall first be applied to the prescription drug
 21 coverage premium, if any. Any remaining amounts shall be applied
 22 towards the medical coverage premium.

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

1 has a vested benefit with the Teachers' Retirement System of
2 Oklahoma, the person may elect, in the manner provided in subsection
3 A of this section, to participate in the dental insurance plan
4 offered through the Oklahoma Employees Insurance and Benefits Act.
5 The person shall pay the full cost of the dental insurance.

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

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

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

9 J. The Teachers' Retirement System of Oklahoma shall provide
10 the Office information concerning the employers of retired and
11 vested members necessary to allow the Office to track eligibility
12 for continued coverage.

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

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

8 SECTION 2. This act shall become effective July 1, 2013.

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

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14 54-1-6102 MAH 01/11/13

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January 11, 2013

Fred Jordan
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Re: RBH No. 6102

RBH No. 6102 allows a retired participant of OTRS who ceases to have medical coverage under the Oklahoma Employees Insurance and Benefits Act may reacquire such coverage. The retired participant will pay the actuarially determined premium on an annual basis and the subsidy paid by OTRS will not be paid.

RBH No. 6102 is a nonfiscal retirement bill as defined by the Oklahoma Pension Legislation Actuarial Analysis Act.

Thomas E. Cummins
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