

STATE OF OKLAHOMA

1st Session of the 54th Legislature (2013)

SENATE BILL 1110

By: Ellis

AS INTRODUCED

An Act relating to health insurance benefits for persons retired from the Teachers' Retirement System of Oklahoma; 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 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. 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

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

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

- 19 a. indemnity plans offered through the Office,
20 b. managed care plans offered as alternatives to the
21 indemnity plans,
22 c. Medicare supplements offered through the Office,
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1 d. Medicare risk-sharing contracts offered as
2 alternatives to the Medicare supplements offered
3 through the Office, and

4 e. any other employer-provided health insurance benefit
5 plans if the employer does not participate in the
6 plans offered pursuant to the Oklahoma Employees
7 Insurance and Benefits Act.

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

15 C. A retired person who:

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

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

1 of the Teachers' Retirement System of Oklahoma other than a health
2 insurance plan offered pursuant to the Oklahoma Employees Insurance
3 and Benefits Act or an alternative health plan offered pursuant to
4 the Oklahoma State Employees Benefits Act;

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

12 4. Is receiving benefits from the Teachers' Retirement System
13 of Oklahoma after June 30, 1993, made contributions to the system
14 and is sixty-five (65) years of age or older, or who is under sixty-
15 five (65) years of age and is eligible for Medicare and participates
16 in a health insurance plan provided by a participating education
17 employer of the Teachers' Retirement System of Oklahoma other than a
18 health insurance plan offered pursuant to the Oklahoma Employees
19 Insurance and Benefits Act or an alternative health plan offered
20 pursuant to the Oklahoma State Employees Benefits Act and elects
21 coverage under the Medicare supplement offered by the Office,
22 shall have the amount determined pursuant to subsection E of this
23 section, or the premium rate of the health insurance benefit plan,
24 whichever is less, paid by the Teachers' Retirement System of

1 Oklahoma. If the amount paid by the Teachers' Retirement System of
2 Oklahoma does not cover the full cost of the health insurance
3 premium, the retired person shall pay the remaining amount if the
4 retired person wants to continue the coverage.

5 D. The Teachers' Retirement System shall pay the amount due
6 pursuant to the provisions of subsection C of this section as
7 follows:

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

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

17 E. Beginning July 1, ~~2000~~ 2013, the maximum benefit payable by
18 the Teachers' Retirement System of Oklahoma from funds appropriated
19 pursuant to subsection L of this section on behalf of a retired
20 person toward said person's monthly premium for health insurance
21 shall be determined in accordance with the following schedule:

22		LESS THAN	
23		25 YEARS BUT	GREATER
24	LESS THAN	GREATER THAN	THAN 24.99

1	AVERAGE SALARY	15 YEARS OF	14.99 YEARS OF	YEARS OF
2	USED FOR DETERMINING	CREDITABLE	CREDITABLE	CREDITABLE
3	RETIREMENT ALLOWANCE	SERVICE	SERVICE	SERVICE
4	Less than \$20,000.00	\$103.00	\$104.00	\$105.00
5		<u>\$128.00</u>	<u>\$129.00</u>	<u>\$130.00</u>
6	Less than \$30,000.00 but			
7	greater than \$19,999.99	\$102.00	\$103.00	\$104.00
8		<u>\$127.00</u>	<u>\$128.00</u>	<u>\$129.00</u>
9	Less than \$40,000.00 but			
10	greater than \$29,999.99	\$101.00	\$102.00	\$103.00
11		<u>\$126.00</u>	<u>\$127.00</u>	<u>\$128.00</u>
12	\$40,000.00 or greater	\$100.00	\$101.00	\$102.00
13		<u>\$125.00</u>	<u>\$126.00</u>	<u>\$127.00</u>

14 For plans offered by the Office, the amount paid pursuant to
15 this subsection shall first be applied to the prescription drug
16 coverage premium, if any. Any remaining amounts shall be applied
17 towards the medical coverage premium.

18 F. If a person retires and begins to receive benefits from the
19 Teachers' Retirement System of Oklahoma or terminates service and
20 has a vested benefit with the Teachers' Retirement System of
21 Oklahoma, the person may elect, in the manner provided in subsection
22 A of this section, to participate in the dental insurance plan
23 offered through the Oklahoma Employees Insurance and Benefits Act.
24 The person shall pay the full cost of the dental insurance.

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

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

21 I. The amounts required to be paid by the Teachers' Retirement
22 System of Oklahoma pursuant to this section from funds appropriated
23 pursuant to subsection L of this section shall be forwarded no later
24 than the tenth day of each month following the month for which

1 payment is due by the Board of Trustees of the Teachers' Retirement
2 System of Oklahoma to the Office for deposit in the Education
3 Employees Group Insurance Reserve Fund.

4 J. The Teachers' Retirement System of Oklahoma shall provide
5 the Office information concerning the employers of retired and
6 vested members necessary to allow the Office to track eligibility
7 for continued coverage.

8 K. Upon retirement from employment with the Board of Regents of
9 the University of Oklahoma, any person who is or was employed at the
10 George Nigh Rehabilitation Institute and who transferred employment
11 pursuant to Section 3427 of Title 70 of the Oklahoma Statutes, any
12 person who was employed at the Medical Technology and Research
13 Authority and who transferred employment pursuant to Section 7068 of
14 this title, and any person who is a member of the Oklahoma Law
15 Enforcement Retirement System pursuant to the authority of Section
16 2-314 of Title 47 of the Oklahoma Statutes may participate in the
17 benefits authorized by the provisions of the Oklahoma Employees
18 Insurance and Benefits Act for retired participants, including
19 health, dental and life insurance benefits, if such election to
20 participate is made within thirty (30) days from the date of
21 termination of employment. Life insurance benefits for any such
22 person who transferred employment shall not exceed the coverage the
23 person had at the time of such transfer. Retirees who are persons
24 transferred employment and who participate pursuant to this

1 paragraph shall pay the premium for elected benefits less any
2 amounts paid by the retirement system pursuant to this section.

3 L. It is the intent of the Legislature to appropriate adequate
4 funding from the General Revenue Fund to the Teachers' Retirement
5 System of Oklahoma for the purpose of making health insurance
6 benefit payments on behalf of retired persons as provided for in
7 subsection C of this section. The funding shall be based on the
8 number of eligible retired persons as determined pursuant to this
9 section and the amount determined pursuant to subsection E of this
10 section or the premium rate of the health insurance benefit plan,
11 whichever is less.

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

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

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