

COMMITTEE AMENDMENT

HOUSE OF REPRESENTATIVES

State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB3293 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by
inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Amendment submitted by: Leslie Osborn

Adopted: _____

Reading Clerk

STATE OF OKLAHOMA

2nd Session of the 54th Legislature (2014)

PROPOSED COMMITTEE
SUBSTITUTE
FOR
HOUSE BILL NO. 3293

By: Osborn

PROPOSED COMMITTEE SUBSTITUTE

An Act relating to state employee compensation; creating compensation program for state employees; making legislative findings; amending 74 O.S. 2011, Sections 840-2.17, as amended by Section 876, Chapter 304, O.S.L. 2012, 840-2.20, as amended by Section 879, Chapter 304, O.S.L. 2012, 840-2.23, 840-4.6, as amended by Section 902, Chapter 304, O.S.L. 2012, and 1370, as last amended by Section 4, Chapter 266, O.S.L. 2013 (74 O.S. Supp. 2013, Sections 840-2.17, 840-2.20, 840-4.6 and 1370), which relate to state employee compensation and benefits; modifying provisions related to certain pay structures; modifying references to certain administrative rules; modifying sick leave accrual rates; providing for effect of amendatory provisions; modifying reference to Oklahoma Personnel Act; modifying definition; modifying maximum amount of donated leave allowable; imposing duties on the Director of the Office of Management and Enterprise Services related to pay structures; modifying provisions related to computation of flexible benefit allowance; repealing 74 O.S. 2011, Section 840-4.7, as amended by Section 903, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2013, Section 840-4.7), which relates to pay bands and pay band adjustments; providing for codification; providing an effective date; and declaring an emergency.

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

2 SECTION 1. NEW LAW A new section of law to be codified
3 in the Oklahoma Statutes as Section _____ of Title 74, unless
4 there is created a duplication in numbering, reads as follows:

5 There is hereby established the "State Employee Compensation
6 Program" within the Executive Branch. The State Employee
7 Compensation Program will attract, retain and reward quality
8 employees with competitive total compensation based on relevant
9 labor markets. The Office of Management and Enterprise Services
10 will be responsible for implementing the compensation program. The
11 compensation program will establish pay structures with a goal of
12 working toward a ninety percent (90%) of the market compensation
13 philosophy. The compensation program will reinforce a productive
14 work climate and culture of accountability and make the State of
15 Oklahoma an employer of choice. Pay structures will be implemented
16 with fairness and equity throughout the Executive Branch. Pay
17 delivery mechanisms will be based on a combination of establishing
18 and maintaining relativity to market, achievement of performance
19 objectives, recognition of differences in job content, acquisition
20 and application of further skill and education. The Legislature
21 will be accountable for the funding of the pay structures
22 established pursuant to the compensation program.

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1 SECTION 2. AMENDATORY 74 O.S. 2011, Section 840-2.17, as
2 amended by Section 876, Chapter 304, O.S.L. 2012 (74 O.S. Supp.
3 2013, Section 840-2.17), is amended to read as follows:

4 Section 840-2.17 A. Unless otherwise provided by the Oklahoma
5 Constitution, language in law which authorizes the setting or fixing
6 of compensation, pay or salary of state officers and employees shall
7 not be construed to authorize any agency, board, commission,
8 department, institution, bureau, executive officer or other entity
9 of the executive branch of state government to award, grant, give,
10 authorize, or promise any officer or employee of the State of
11 Oklahoma a raise that is inconsistent with the pay structures
12 established by the Office of Management and Enterprise Services for
13 all state officers and employees in the executive branch pursuant to
14 Section 840-4.6 of this title, including, but not limited to, a
15 cost-of-living raise or any other type of raise that would be given
16 to state employees on an across-the-board basis, except as herein
17 provided. Such raises are prohibited unless authorized by the
18 Legislature and by ~~Merit System of Personnel Administration~~ Career
19 Service Rules for Employment promulgated by the Director. This
20 prohibition applies to all ~~classified and unclassified~~ career and
21 executive service officers and employees in the executive branch of
22 state government, excluding institutions under the administrative
23 authority of the Oklahoma State Regents for Higher Education.

1 B. However, nothing in this section shall be construed to
2 prohibit the following actions if the action is made in good faith
3 and not for the purpose of circumventing subsection A of this
4 section, and if the appointing authority certifies that the action
5 can be implemented for the current fiscal year and the subsequent
6 fiscal year without the need for additional funding to increase the
7 personal services budget of the agency:

8 1. Salary advancements on promotion or direct reclassification
9 to a job family level or class with a higher salary band;

10 2. Salary adjustments resulting from a pay band change for a
11 job family level or class adopted by the Office of Management and
12 Enterprise Services;

13 3. Increases in longevity payments pursuant to Section 840-2.18
14 of this title;

15 4. Payment of overtime, special entrance rates, pay
16 differentials;

17 5. Payment of wages, salaries, or rates of pay established and
18 mandated by law;

19 6. Market adjustments for job family levels tied to market
20 competitiveness;

21 7. Intra-agency lateral transfers, provided that the adjustment
22 does not exceed five percent (5%) and the adjustment is based on the
23 needs of the agency;

1 8. Skill-based adjustments. Such adjustments, which are
2 implemented before November 1, 2006, other than lump-sum payments,
3 shall become permanent after twenty-four (24) months from the date
4 such salary adjustment is implemented and may not later be removed
5 from an employee's base salary if a furlough or reduction-in-force
6 is implemented by the appointing authority granting such salary
7 adjustment. Skill-based pay adjustments, which are implemented on
8 or after November 1, 2006, and which are paid to an employee, shall
9 be paid as long as the employee remains employed in the position and
10 performs the skills for which the differential is due, but shall not
11 be included as a part of the employee's base salary;

12 9. Equity-based adjustments;

13 10. Performance-based adjustments for employees who received at
14 least a "meets standards" rating on their most current performance
15 rating;

16 11. Career progression increases as an employee advances
17 through job family levels; or

18 12. Salary adjustments not to exceed five percent (5%) for
19 probationary classified employees achieving permanent status
20 following the initial probationary period and permanent classified
21 employees successfully completing trial periods after intra-agency
22 lateral transfer or promotion to a different job family level or
23 following career progression to a different job family level.

1 C. Provided, however, any reclassification for one of the
2 purposes provided in subsection B of this section that would require
3 additional funding by the Legislature shall not be implemented
4 without approval of the Legislature.

5 D. The pay movement mechanisms described in paragraphs 6
6 through 11 in subsection B of this section shall be implemented
7 pursuant to rules promulgated by the Director of the Office of
8 Management and Enterprise Services for the classified service.

9 E. Appointing authorities may implement the pay movement
10 mechanisms in paragraphs 6 through 12 in subsection B of this
11 section subject to the availability of funds within the agency's
12 budget for the current fiscal year and subsequent fiscal year
13 without the need for additional funding to increase the personal
14 services budget of the agency. Failure by the appointing authority
15 to follow the provisions of this subsection may cause the withdrawal
16 of the use of the pay movement mechanisms provided in paragraphs 6,
17 7, 9, 10 and 11 of subsection B of this section within the agency
18 during the next appropriations cycle.

19 F. The provisions in subsection B of this section shall not
20 apply to chief executive officers of any agency, board, commission,
21 department or program except for paragraphs 3 and 5 of subsection B
22 of this section.

1 SECTION 3. AMENDATORY 74 O.S. 2011, Section 840-2.20, as
2 amended by Section 879, Chapter 304, O.S.L. 2012 (74 O.S. Supp.
3 2013, Section 840-2.20), is amended to read as follows:

4 Section 840-2.20 A. The Director of the Office of Management
5 and Enterprise Services shall promulgate such emergency and
6 permanent rules regarding leave and holiday leave as are necessary
7 to assist the state and its agencies.

8 The Director of the Office of Management and Enterprise
9 Services, in adopting new rules, amending rules and repealing rules,
10 shall ensure that the following provisions are incorporated:

11 1. Eligible employees who enter on duty or who are reinstated
12 after a break in service shall receive leave benefits in accordance
13 with the schedule outlined below. Leave shall be accrued based upon
14 hours worked, paid leave, and holidays, but excluding overtime, not
15 to exceed the total possible work hours for the pay period. Years
16 of service shall be based on cumulative periods of employment
17 calculated in the manner that cumulative service is determined for
18 longevity purposes pursuant to Section 840-2.18 of this title.

19 Employees may accumulate more than the maximum annual leave
20 accumulation limits shown in the schedule below, provided that such
21 excess is used during the same calendar year in which it accrues or
22 within twelve (12) months of the date on which it accrues, at the
23 discretion of the appointing authority. If an employee whose job
24 duties include providing fire protection services, law enforcement

1 services or services with the Department of Corrections is unable to
2 use excess leave as provided for in this paragraph because the
3 employee's request for leave is denied by the employee's appointing
4 authority and the denial of leave is due to extraordinary
5 circumstances such that taking leave could pose a threat to public
6 safety, health or welfare, the employee shall receive compensation
7 at the employee's regular rate of pay for the amount of excess leave
8 the employee is unable to use. Such compensation shall be paid at
9 the end of the time period during which the excess leave was
10 required to have been used;

11 2. From ~~November 1, 2001~~ January 1, 2015, the following accrual
12 rates and accumulation limits apply to eligible employees as
13 follows:

ACCRUAL RATES				ACCUMULATION
				LIMITS
Cumulative				
Years of	Annual	Sick	Annual	
Service	Leave	Leave	Leave	
Persons employed 0-5 yrs	= 15 day/yr	15 <u>10</u> days/yr	30 days	
5-10 yrs	= 18 day/yr	15 <u>10</u> days/yr	60 days	
10-20 yrs	= 20 day/yr	15 <u>10</u> days/yr	60 days	
over 20 yrs	= 25 day/yr	15 <u>10</u> days/yr	60 days	

23 3. Temporary employees and other limited term employees are
24 ineligible to accrue, use, or be paid for sick leave and annual

1 leave. Such employees shall be eligible for paid holiday leave at
2 the discretion of the appointing authority;

3 4. ~~Employees shall not be entitled to retroactive accumulation~~
4 ~~of leave as a result~~ The provisions of this section shall not affect
5 employee accumulated leave accrued prior to the effective date of
6 ~~amendments to this section act;~~

7 5. The Director of the Office of Management and Enterprise
8 Services and the Executive Director of the Oklahoma Merit Protection
9 Commission shall cooperate to assist agencies in developing policies
10 to prevent violence in state government workplaces without abridging
11 the rights of state employees. Such policy shall include a paid
12 administrative leave provision as a cooling-off period which the
13 Director of the Office of Management and Enterprise Services is
14 authorized to provide pursuant to the Administrative Procedures Act.
15 Such leave shall not be charged to annual or sick leave
16 accumulations;

17 6. State employees who terminated their employment in the state
18 service on or after October 1, 1992, may be eligible to have sick
19 leave accrued at the time of termination of employment restored if
20 they return to state employment, provided that the state employees'
21 enter-on-duty dates for reemployment occur on or before two (2)
22 years after their termination of employment and they are eligible to
23 accrue sick leave before the two (2) years expire;

1 7. Employees who are volunteer firefighters pursuant to the
2 Oklahoma Volunteer Firefighters Act and who are called to fight a
3 fire shall not have to use any accrued leave or need to make up any
4 time due to the performance of their volunteer firefighter duties;

5 8. Employees who are reserve municipal police officers pursuant
6 to Section 34-101 of Title 11 of the Oklahoma Statutes and who miss
7 work in performing their duties in cases of emergency shall not have
8 to use any accrued leave or need to make up any time due to the
9 performance of their reserve municipal police officer duties; and

10 9. Employees who are reserve deputy sheriffs pursuant to
11 Section 547 of Title 19 of the Oklahoma Statutes and who miss work
12 in performing their duties in case of emergency shall not have to
13 use any accrued leave or need to make up any time due to the
14 performance of their reserve deputy sheriff duties.

15 B. Nothing in the Oklahoma ~~Personnel~~ Career Service Act is
16 intended to prevent or discourage an appointing authority from
17 disciplining or terminating an employee due to abuse of leave
18 benefits or absenteeism. Appointing authorities are encouraged to
19 consider attendance of employees in making decisions regarding
20 promotions, pay increases, and discipline.

21 C. Upon the transfer of a function in state government to an
22 entity outside state government, employees may, with the agreement
23 of the outside entity, waive any payment for leave accumulations to
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1 which the employee is entitled and authorize the transfer of the
2 leave accumulations or a portion thereof to the outside entity.

3 SECTION 4. AMENDATORY 74 O.S. 2011, Section 840-2.23, is
4 amended to read as follows:

5 Section 840-2.23 A. There is hereby created the state leave
6 sharing program. The purpose of the state leave sharing program is
7 to permit state employees to donate annual or sick leave to a fellow
8 state employee who has exhausted, or will exhaust, all types of paid
9 leave and:

10 1. Who is eligible for and requires family leave pursuant to
11 the provisions of the Family and Leave Medical Act of 1993, 29
12 U.S.C., 2601 et seq.; or

13 2. Who is suffering from or has a relative or household member
14 suffering from an extraordinary or severe illness, injury,
15 impairment, or physical or mental condition which has caused or is
16 likely to cause the employee to take leave without pay or terminate
17 employment;

18 3. Immediately after the death of a relative or household
19 member, provided that the total leave received for this purpose
20 shall not exceed five (5) days in any calendar year; or

21 4. Who is affected by a presidentially declared national
22 disaster in Oklahoma after May 1, 1999, for a period of eighteen
23 (18) months after the date of the presidentially declared national
24 disaster if:

- a. the employee suffered a physical injury as a result of the disaster,
- b. the spouse, relative, or household member of the employee suffered a physical injury or died as a result of the disaster, or
- c. the domicile of the employee or the home of a relative of the employee was damaged or destroyed as a result of the disaster.

B. As used in this section:

1. "Relative of the employee" shall be limited to the spouse, child, stepchild, grandchild, grandparent, stepparent, or parent of the employee;

2. "Household members" means those persons who reside in the same home, who have reciprocal duties to and do provide financial support for one another. This term shall include foster children and legal wards even if they do not live in the household. The term does not include persons sharing the same general house, when the living style is primarily that of a dormitory or commune;

3. "Severe" or "extraordinary" means extreme or life threatening;

4. "State employee" means a ~~permanent classified~~ career service employee or a ~~regular unclassified~~ an executive service employee ~~with one (1) year or more continuous service~~ with the state. The term "state employee" does not include ~~classified~~ career service

1 employees ~~in probationary status~~ or ~~unclassified~~ executive service
2 employees on temporary or other limited term appointments, except
3 that those employees are eligible to receive shared leave as
4 provided in paragraph 4 of subsection A of this section and the
5 leave with pay authorized by Section 840-2.23A of this title related
6 to a presidentially declared national disaster; and

7 5. "Terminal" means likely to result in death within two (2)
8 calendar years.

9 C. An employee may be eligible to receive shared leave pursuant
10 to the following conditions:

11 1. The chief administrative officer of the employee determines
12 that the employee meets the criteria described in this section; and

13 2. The employee has abided by state policies regarding the use
14 of leave.

15 D. An employee may not donate annual or sick leave to an
16 eligible employee without the permission of the chief administrative
17 officer of the donating employee's agency.

18 E. An employee may donate annual or sick leave to another
19 employee provided the donation does not cause the annual leave
20 balance of the employee to fall below eighty (80) hours and provided
21 the donation does not cause the sick leave balance of the employee
22 to fall below eighty (80) hours.

23 F. Except as otherwise provided for in this subsection, the
24 chief administrative officer of the employee shall determine the

1 amount of donated leave an employee may receive and may authorize an
2 employee to use up to a maximum of ~~two hundred sixty-one (261)~~ one
3 hundred eighty (180) days of donated leave during total state
4 employment. If the employee is suffering from an illness which has
5 been certified in writing by a licensed physician or health care
6 practitioner as being terminal and the employee who either has
7 reached or shall reach in the near future the maximum amount as set
8 out in this subsection, the chief administrative officer of the
9 employee may approve additional donated leave upon written request
10 of the employee.

11 G. The chief administrative officer of the employee shall
12 require the employee to submit, prior to approval or disapproval of
13 shared leave pursuant to paragraph 1 of subsection A of this
14 section, a medical certificate from a licensed physician or health
15 care practitioner verifying the need for the leave and expected
16 duration of the illness, injury, impairment, or physical or mental
17 condition for which the leave is donated.

18 H. Donated annual or sick leave is transferable between
19 employees in different state entities with the agreement of both
20 chief administrative officers of the entities.

21 I. Donated annual or sick leave is transferable between
22 employees on an hour-to-hour basis irrespective of the hourly wage
23 of the donating or receiving employee.

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1 J. Any donated leave may only be used by the recipient for the
2 purposes specified in this section.

3 K. All forms of paid leave available for use by the recipient
4 must be used prior to using donated leave.

5 L. Any donated leave not used by the recipient during each
6 occurrence as determined by the chief administrative officer of the
7 employee shall be returned to the donor. The donated leave
8 remaining will be divided among the donors on a prorated basis based
9 on the original donated value and returned at its original donor
10 value and reinstated to the original leave balance of each donor.

11 M. All donated leave must be given voluntarily. No employee
12 shall be coerced, threatened, intimidated, or financially induced
13 into donating annual or sick leave for purposes of the leave sharing
14 program.

15 N. Employees may not donate excess annual or sick leave that
16 the donor would not be able to otherwise take.

17 SECTION 5. AMENDATORY 74 O.S. 2011, Section 840-4.6, as
18 amended by Section 902, Chapter 304, O.S.L. 2012 (74 O.S. Supp.
19 2013, Section 840-4.6), is amended to read as follows:

20 Section 840-4.6 A. The State of Oklahoma, to recruit, retain
21 and motivate a quality workforce for the purpose of providing
22 quality services to the citizens of Oklahoma, shall provide a pay
23 structure based on internal equity and external competitiveness
24 balanced by the state's fiscal conditions. The state's goal shall

1 be to provide a flexible and adaptable state employee pay system
2 based on the market data found in relevant public and private sector
3 markets.

4 B. The Director of the Office of Management and Enterprise
5 Services shall ~~develop a salary schedule for the classified service~~
6 ~~and pay lines as appropriate to meet the needs of agencies~~ study,
7 establish, assign and may make adjustments to pay structures for all
8 career and executive service positions within the executive branch,
9 excluding institutions under the administrative authority of the
10 Oklahoma State Regents for Higher Education. The Office may develop
11 market-based occupational pay structures. The pay structures
12 established pursuant to this section for all career and executive
13 service positions shall be initially established and published by
14 January 1, 2015, and shall thereafter be reviewed for revision
15 annually. The provisions of this section are not subject to the
16 provisions of Article I of the Administrative Procedures Act.

17 C. The Director shall design a compensation system for all
18 classified state employees. The compensation system, except for
19 performance based adjustments, developed pursuant to this subsection
20 shall be consistent with but not limited to the recommendations
21 contained in the Classification and Compensation Reform Report from
22 the Director, dated December 1998 and submitted to the Governor,
23 President Pro Tempore of the Senate and Speaker of the House of
24 Representatives.

1 D. All executive branch state agencies who employ personnel in
2 the unclassified service of the state, whose salaries are not
3 prescribed by law, shall establish salary schedules for such
4 employees.

5 SECTION 6. AMENDATORY 74 O.S. 2011, Section 1370, as
6 last amended by Section 4, Chapter 266, O.S.L. 2013 (74 O.S. Supp.
7 2013, Section 1370), is amended to read as follows:

8 Section 1370. A. Subject to the requirement that a participant
9 must elect the default benefits, the basic plan, or is a person who
10 has retired from a branch of the United States military and has been
11 provided with health care through a federal plan, to the extent that
12 it is consistent with federal law, or is an active employee who is
13 eligible to participate and who is a participant who has opted out
14 of the state's basic plan according to the provisions of Section
15 1308.3 of this title, and provides proof of this coverage, flexible
16 benefit dollars may be used to purchase any of the benefits offered
17 by the Oklahoma State Employees Benefits Council under the flexible
18 benefits plan. A participant who has opted out of the state's basic
19 plan and provided proof of other coverage as described in this
20 subsection shall receive One Hundred Fifty Dollars (\$150.00) in lieu
21 of the flexible benefit monthly. A participant's flexible benefit
22 dollars for a plan year shall consist of the sum of (1) flexible
23 benefit allowance credited to a participant by the participating
24 employer, and (2) pay conversion dollars elected by a participant.

1 B. Each participant shall be credited annually with a specified
2 amount as a flexible benefit allowance which shall be available for
3 the purchase of benefits. For participants on a biweekly payroll
4 system the disbursement of the flexible benefit allowance shall be
5 credited over twenty-four pay periods resulting in two pay periods
6 that do not reflect a credit. The amount of the flexible benefit
7 allowance credited to each participant shall be communicated to him
8 or her prior to the enrollment period for each plan year.

9 C. Except as provided in subsection D of this section, for the
10 plan year beginning January 1, 2013, the benefit allowance shall not
11 be less than the Plan Year 2012 benefit allowance amounts, and each
12 plan year thereafter, the amount of a participant's benefit
13 allowance, which shall be the total amount the employer contributes
14 for the payment of insurance premiums or other benefits, shall be:

15 1. The greater of the amount of benefit which the participant
16 would have qualified for as of plan year 2012, or an amount equal to
17 the monthly premium of the HealthChoice High Option plan, the
18 average monthly premiums of the dental plans, the monthly premium of
19 the disability plan, and the monthly premium of the basic life
20 insurance plan offered to state employees or the amount determined
21 by the Council based on a formula for determining a participant's
22 benefit credits consistent with the requirements of 26 U.S.C.,
23 Section 125(g)(2) and regulations thereunder; or
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1 2. The greater of the amount of benefit which the participant
2 would have qualified for as of plan year 2012 or an amount equal to
3 the monthly premium of the HealthChoice High Option plan, the
4 average monthly premiums of the dental plans, the monthly premium of
5 the disability plan, and the monthly premium of the basic life
6 insurance plan offered to state employees plus one of the additional
7 amounts as follows for participants who elect to include one or more
8 dependents:

- 9 a. for a spouse, ~~seventy-five percent (75%)~~ fifty percent
10 (50%) of the HealthChoice High Option plan, available
11 for coverage of a spouse,
12 b. for one child, ~~seventy-five percent (75%)~~ fifty
13 percent (50%) of the HealthChoice High Option plan,
14 for coverage of one child,
15 c. for two or more children, ~~seventy-five percent (75%)~~
16 fifty percent (50%) of the HealthChoice High Option
17 plan, for coverage of two or more children,
18 d. for a spouse and one child, ~~seventy-five percent (75%)~~
19 fifty percent (50%) of the HealthChoice High Option
20 plan, for coverage of a spouse and one child, or
21 e. for a spouse and two or more children, ~~seventy-five~~
22 ~~percent (75%)~~ fifty percent (50%) of the HealthChoice
23 High Option plan, for coverage of a spouse and two or
24 more children.

1 D. To the extent that it is consistent with federal laws and
2 regulations, and in particular the regulations set forth by the
3 Secretary of Defense in 32 C.F.R. Section 199.8(d)(6), a benefit may
4 be provided to an employee who is an eligible TRICARE beneficiary
5 whereby he or she may purchase a group TRICARE Supplemental product
6 under a qualifying cafeteria plan consistent with the requirements
7 of 26 U.S.C., Section 125, provided that:

8 1. The state, as employer may not provide any payment for nor
9 receive any consideration or compensation for offering the benefit;

10 2. The employer's only involvement is in providing the
11 administrative support for the benefit under the cafeteria plan; and

12 3. The employee's participation in the plan is completely
13 voluntary.

14 The benefit allowance under paragraph 2 of subsection C of this
15 section of an employee whose plan participation includes a group
16 TRICARE Supplemental benefit shall not include any allowance or
17 portion thereof for such TRICARE Supplemental benefit.

18 E. This section shall not prohibit payments for supplemental
19 health insurance coverage made pursuant to Section 1314.4 of this
20 title or payments for the cost of providing health insurance
21 coverage for dependents of employees of the Grand River Dam
22 Authority.

23 F. If a participant desires to buy benefits whose sum total of
24 benefit prices is in excess of his or her flexible benefit

1 allowance, the participant may elect to use pay conversion dollars
2 to purchase such excess benefits. Pay conversion dollars may be
3 elected through a salary reduction agreement made pursuant to the
4 election procedures of Section 1371 of this title. The elected
5 amount shall be deducted from the participant's compensation in
6 equal amounts each pay period, with the exception of participants on
7 a biweekly payroll system, where such deduction shall occur over
8 twenty-four pay periods over the plan year. On termination of
9 employment during a plan year, a participant shall have no
10 obligation to pay the participating employer any pay conversion
11 dollars allocated to the portion of the plan year after the
12 participant's termination of employment.

13 G. If a participant elects benefits whose sum total of benefit
14 prices is less than his or her flexible benefit allowance, he or she
15 shall receive any excess flexible benefit allowance as taxable
16 compensation. Such taxable compensation will be paid in
17 substantially equal amounts each pay period, with the exception of
18 participants on a biweekly payroll system, where such deduction
19 shall occur over twenty-four pay periods over the plan year. On
20 termination during a plan year, a participant shall have no right to
21 receive any such taxable cash compensation allocated to the portion
22 of the plan year after the participant's termination. Nothing
23 herein shall affect a participant's obligation to elect the minimum
24 benefits or to accept the default benefits of the plan with

1 corresponding reduction in the sum of his or her flexible benefit
2 allowance equal to the sum total benefit price of such minimum
3 benefits or default benefits.

4 SECTION 7. REPEALER 74 O.S. 2011, Section 840-4.7, as
5 amended by Section 903, Chapter 304, O.S.L. 2012 (74 O.S. Supp.
6 2013, Section 840-4.7), is hereby repealed.

7 SECTION 8. This act shall become effective July 1, 2014.

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

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13 54-2-10020 MAH 02/12/14
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