

STATE OF OKLAHOMA

2nd Session of the 56th Legislature (2018)

HOUSE BILL 3144

By: Dunnington

AS INTRODUCED

An Act relating to state government; amending 74 O.S. 2011, Section 1370, as last amended by Section 4, Chapter 266, O.S.L. 2013 (74 O.S. Supp. 2017, Section 1370), which relates to flexible benefit allowance; adjusting the flexible benefit allowance to an amount equal to the average monthly premiums of the health insurance plans; modifying the flex benefit allowance for participants who elect to include one or more dependents; and providing an effective date.

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

SECTION 1. AMENDATORY 74 O.S. 2011, Section 1370, as last amended by Section 4, Chapter 266, O.S.L. 2013 (74 O.S. Supp. 2017, Section 1370), is amended to read as follows:

Section 1370. A. Subject to the requirement that a participant must elect the default benefits, the basic plan, or is a person who has retired from a branch of the United States military and has been provided with health care through a federal plan, to the extent that it is consistent with federal law, or is an active employee who is eligible to participate and who is a participant who has opted out of the state's basic plan according to the provisions of Section

1 1308.3 of this title, and provides proof of this coverage, flexible
2 benefit dollars may be used to purchase any of the benefits offered
3 by the Oklahoma State Employees Benefits Council under the flexible
4 benefits plan. A participant who has opted out of the state's basic
5 plan and provided proof of other coverage as described in this
6 subsection shall receive One Hundred Fifty Dollars (\$150.00) in lieu
7 of the flexible benefit monthly. A participant's flexible benefit
8 dollars for a plan year shall consist of the sum of (1) flexible
9 benefit allowance credited to a participant by the participating
10 employer, and (2) pay conversion dollars elected by a participant.

11 B. Each participant shall be credited annually with a specified
12 amount as a flexible benefit allowance which shall be available for
13 the purchase of benefits. For participants on a biweekly payroll
14 system the disbursement of the flexible benefit allowance shall be
15 credited over twenty-four pay periods resulting in two pay periods
16 that do not reflect a credit. The amount of the flexible benefit
17 allowance credited to each participant shall be communicated to him
18 or her prior to the enrollment period for each plan year.

19 C. Except as provided in subsection D of this section, for the
20 plan year beginning ~~January 1, 2013~~ January 1, 2019, ~~the benefit~~
21 ~~allowance shall not be less than the Plan Year 2012 benefit~~
22 ~~allowance amounts,~~ and each plan year thereafter, the amount of a
23 participant's benefit allowance, which shall be the total amount the
24

1 employer contributes for the payment of insurance premiums or other
2 benefits, shall be:

3 1. ~~The greater of the amount of benefit which the participant~~
4 ~~would have qualified for as of plan year 2012, or an~~ An amount equal
5 to the average monthly ~~premium~~ premiums of the ~~HealthChoice High~~
6 ~~Option plan~~ health insurance plans, the average monthly premiums of
7 the dental plans, the monthly premium of the disability plan, and
8 the monthly premium of the basic life insurance plan offered to
9 state employees or the amount determined by the Council based on a
10 formula for determining a participant's benefit credits consistent
11 with the requirements of 26 U.S.C., Section 125(g) (2) and
12 regulations thereunder; or

13 2. ~~The greater of the amount of benefit which the participant~~
14 ~~would have qualified for as of plan year 2012 or an~~ An amount equal
15 to the average monthly ~~premium~~ premiums of the ~~HealthChoice High~~
16 ~~Option plan~~ health insurance plans, the average monthly premiums of
17 the dental plans, the monthly premium of the disability plan, and
18 the monthly premium of the basic life insurance plan offered to
19 state employees plus one of the additional amounts as follows for
20 participants who elect to include one or more dependents:

- 21 a. for a spouse, seventy-five percent (75%) of ~~the~~
22 ~~HealthChoice High Option plan~~ an amount equal to the
23 average monthly premiums of the health insurance
24 plans, available for coverage of a spouse,

- 1 b. for one child, seventy-five percent (75%) of ~~the~~
2 ~~HealthChoice High Option plan~~ an amount equal to the
3 average monthly premiums of the health insurance
4 plans, for coverage of one child,
- 5 c. for two or more children, seventy-five percent (75%)
6 of ~~the HealthChoice High Option plan~~ an amount equal
7 to the average monthly premiums of the health
8 insurance plans, for coverage of two or more children,
- 9 d. for a spouse and one child, seventy-five percent (75%)
10 of ~~the HealthChoice High Option plan~~ an amount equal
11 to the average monthly premiums of the health
12 insurance plans, for coverage of a spouse and one
13 child, or
- 14 e. for a spouse and two or more children, seventy-five
15 percent (75%) of ~~the HealthChoice High Option plan~~ an
16 amount equal to the average monthly premiums of the
17 health insurance plans, for coverage of a spouse and
18 two or more children.

19 D. To the extent that it is consistent with federal laws and
20 regulations, and in particular the regulations set forth by the
21 Secretary of Defense in 32 C.F.R. Section 199.8(d)(6), a benefit may
22 be provided to an employee who is an eligible TRICARE beneficiary
23 whereby he or she may purchase a group TRICARE Supplemental product
24

1 under a qualifying cafeteria plan consistent with the requirements
2 of 26 U.S.C., Section 125, provided that:

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

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

7 3. The employee's participation in the plan is completely
8 voluntary.

9 The benefit allowance under paragraph 2 of subsection C of this
10 section of an employee whose plan participation includes a group
11 TRICARE Supplemental benefit shall not include any allowance or
12 portion thereof for such TRICARE Supplemental benefit.

13 E. This section shall not prohibit payments for supplemental
14 health insurance coverage made pursuant to Section 1314.4 of this
15 title or payments for the cost of providing health insurance
16 coverage for dependents of employees of the Grand River Dam
17 Authority.

18 F. If a participant desires to buy benefits whose sum total of
19 benefit prices is in excess of his or her flexible benefit
20 allowance, the participant may elect to use pay conversion dollars
21 to purchase such excess benefits. Pay conversion dollars may be
22 elected through a salary reduction agreement made pursuant to the
23 election procedures of Section 1371 of this title. The elected
24 amount shall be deducted from the participant's compensation in

1 equal amounts each pay period, with the exception of participants on
2 a biweekly payroll system, where such deduction shall occur over
3 twenty-four pay periods over the plan year. On termination of
4 employment during a plan year, a participant shall have no
5 obligation to pay the participating employer any pay conversion
6 dollars allocated to the portion of the plan year after the
7 participant's termination of employment.

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

SECTION 2. This act shall become effective November 1, 2018.

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