

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

HOUSE BILL 3333

By: Fugate

AS INTRODUCED

An Act relating to state government; amending 74 O.S. 2021, Section 1370, which relates to the flexible benefit allowance; modifying allowance amounts; and providing an effective date.

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

SECTION 1. AMENDATORY 74 O.S. 2021, 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 1308.3 of this title, and provides proof of this coverage, flexible benefit dollars may be used to purchase any of the benefits offered by the Oklahoma State Employees Benefits Council under the flexible benefits plan. A participant who has opted out of the state's basic

1 plan and provided proof of other coverage as described in this  
2 subsection shall receive One Hundred Fifty Dollars (\$150.00) in lieu  
3 of the flexible benefit monthly. A participant's flexible benefit  
4 dollars for a plan year shall consist of the sum of (1) flexible  
5 benefit allowance credited to a participant by the participating  
6 employer, and (2) pay conversion dollars elected by a participant.

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

15 C. Except as provided in subsection D of this section, for the  
16 plan year beginning ~~January 1, 2013, the benefit allowance shall not~~  
17 ~~be less than the Plan Year 2012 benefit allowance amounts~~ January 1,  
18 2023, and each plan year thereafter, the amount of a participant's  
19 benefit allowance, which shall be the total amount the employer  
20 contributes for the payment of insurance premiums or other benefits,  
21 shall be:

22 1. ~~The greater of the amount of benefit which the participant~~  
23 ~~would have qualified for as of plan year 2021, or an~~ An amount equal  
24 to the average monthly ~~premium~~ premiums of the HealthChoice High

1 Option plan and the Health Maintenance Organization (HMO) plans, the  
2 average monthly premiums of the dental plans, the monthly premium of  
3 the disability plan, and the monthly premium of the basic life  
4 insurance plan offered to state employees or the amount determined  
5 by the Council based on a formula for determining a participant's  
6 benefit credits consistent with the requirements of 26 U.S.C.,  
7 Section 125(g)(2) and regulations thereunder;

8 2. ~~The greater of the amount of benefit which the participant~~  
9 ~~would have qualified for as of plan year 2021 or an~~ An amount equal  
10 to the average monthly ~~premium~~ premiums of the HealthChoice High  
11 Option plan and the HMO plans, the average monthly premiums of the  
12 dental plans, the monthly premium of the disability plan, and the  
13 monthly premium of the basic life insurance plan offered to state  
14 employees plus one of the additional amounts as follows for  
15 participants who elect to include one or more dependents:

- 16 a. for a spouse, seventy-five percent (75%) of an amount  
17 equal to the average monthly premiums of the  
18 HealthChoice High Option plan and the HMO plans,  
19 available for coverage of a spouse,
- 20 b. for one child, seventy-five percent (75%) of an amount  
21 equal to the average monthly premiums of the  
22 HealthChoice High Option plan and the HMO plans, for  
23 coverage of one child,

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

14       ~~3. For the plan year beginning January 1, 2022, the amount of a~~  
15 ~~participant's benefit allowance shall be increased by two percent~~  
16 ~~(2%) from the amount provided in the previous year;~~

17       ~~4. For the plan year beginning January 1, 2023, the amount of a~~  
18 ~~participant's benefit allowance shall be increased by two percent~~  
19 ~~(2%) from the amount provided in the previous year; or~~

20       ~~5. The greater of the amount of benefit which the participant~~  
21 ~~would have qualified for as of plan year 2023, or an amount equal to~~  
22 ~~the monthly premium of the HealthChoice High Option plan, the~~  
23 ~~average monthly premiums of the dental plans, the monthly premium of~~  
24 ~~the disability plan and the monthly premium of the basic life~~

~~insurance plan offered to state employees plus one of the additional amounts as follows for participants who elect to include one or more dependents:~~

- ~~a. for a spouse, seventy-five percent (75%) of the HealthChoice High Option plan, available for coverage of a spouse,~~
- ~~b. for one child, seventy-five percent (75%) of the HealthChoice High Option plan, for coverage of one child,~~
- ~~c. for two or more children, seventy-five percent (75%) of the HealthChoice High Option plan, for coverage of two or more children,~~
- ~~d. for a spouse and one child, seventy-five percent (75%) of the HealthChoice High Option plan, for coverage of a spouse and one child, or~~
- ~~e. for a spouse and two or more children, seventy-five percent (75%) of the HealthChoice High Option plan, for coverage of a spouse and two or more children.~~

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

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, 2022.

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