

1 STATE OF OKLAHOMA

2 2nd Session of the 58th Legislature (2022)

3 HOUSE BILL 3333

By: Fugate

4
5
6 AS INTRODUCED

7 An Act relating to state government; amending 74 O.S.
8 2021, Section 1370, which relates to the flexible
9 benefit allowance; modifying allowance amounts; and
10 providing an effective date.

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

12 SECTION 1. AMENDATORY 74 O.S. 2021, Section 1370, is
13 amended to read as follows:

14 Section 1370. A. Subject to the requirement that a participant
15 must elect the default benefits, the basic plan, or is a person who
16 has retired from a branch of the United States military and has been
17 provided with health care through a federal plan, to the extent that
18 it is consistent with federal law, or is an active employee who is
19 eligible to participate and who is a participant who has opted out
20 of the state's basic plan according to the provisions of Section
21 1308.3 of this title, and provides proof of this coverage, flexible
22 benefit dollars may be used to purchase any of the benefits offered
23 by the Oklahoma State Employees Benefits Council under the flexible
24 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,
24

- 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~~

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

4 a. ~~for a spouse, seventy-five percent (75%) of the~~
5 ~~HealthChoice High Option plan, available for coverage~~
6 ~~of a spouse,~~

7 b. ~~for one child, seventy-five percent (75%) of the~~
8 ~~HealthChoice High Option plan, for coverage of one~~
9 ~~child,~~

10 c. ~~for two or more children, seventy-five percent (75%)~~
11 ~~of the HealthChoice High Option plan, for coverage of~~
12 ~~two or more children,~~

13 d. ~~for a spouse and one child, seventy-five percent (75%)~~
14 ~~of the HealthChoice High Option plan, for coverage of~~
15 ~~a spouse and one child, or~~

16 e. ~~for a spouse and two or more children, seventy-five~~
17 ~~percent (75%) of the HealthChoice High Option plan,~~
18 ~~for coverage of a spouse and 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.

23
24

1 SECTION 2. This act shall become effective November 1, 2022.

2
3 58-2-9584 LRB 12/27/21
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24