

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

SENATE BILL 1342

By: Hamilton

AS INTRODUCED

An Act relating to school district employees;
amending 70 O.S. 2021, Section 26-105, as amended by
Section 3, Chapter 245, O.S.L. 2024 (70 O.S. Supp.
2025, Section 26-105), which relates to use of
flexible benefit allowance; increasing amount in lieu
of flexible benefit allowance for certain personnel;
updating statutory reference; updating statutory
language; and providing an effective date.

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

SECTION 1. AMENDATORY 70 O.S. 2021, Section 26-105, as
amended by Section 3, Chapter 245, O.S.L. 2024 (70 O.S. Supp. 2025,
Section 26-105), is amended to read as follows:

Section 26-105. A. 1. The flexible benefit allowance shall be
used by a school district employee who is participating in the
cafeteria plan to purchase major medical health care plan coverage
offered by the school district through a cafeteria plan. Any excess
flexible benefit allowance over the cost of the major medical
coverage purchased by the employee who is participating in the
cafeteria plan may be used to purchase any of the additional

benefits offered by the school district or may be taken as taxable compensation as provided in subsection C of this section.

2. Certified personnel who choose not to participate in the school-district-sponsored cafeteria plan prior to the effective date of this act shall receive Sixty-nine Dollars and seventy-one cents (\$69.71) per month as taxable compensation in lieu of the flexible benefit allowance amount provided in subsection B of this section.

3. Support personnel who choose not to participate in the school-district-sponsored cafeteria plan prior to the effective date of this act shall receive One Hundred Eighty-nine Dollars and sixty-nine cents (\$189.69) per month as taxable compensation in lieu of the flexible benefit allowance amount provided in subsection B of this section.

4. On and after the effective date of this act, certified and support personnel who choose not to participate in the school-district-sponsored cafeteria plan shall receive Five Hundred Dollars (\$500.00) per month as taxable compensation in lieu of the flexible benefit allowance amount provided in subsection B of this section.

B. Each eligible school district employee shall be credited annually with a specified amount as a flexible benefit allowance which shall be available for the purchase of benefits. The amount of the flexible benefit allowance credited to each eligible school district employee shall be communicated to the employee prior to the enrollment period for each plan year.

1 1. For the fiscal year ending June 30, 2002, the flexible
2 benefit allowance amount for certified personnel shall be no less
3 than Sixty-nine Dollars and seventy-one cents (\$69.71) per month.
4 For the fiscal year ending June 30, 2002, the flexible benefit
5 allowance amount for support personnel shall be no less than One
6 Hundred Eighty-nine Dollars and sixty-nine cents (\$189.69) per
7 month.

8 2. For the fiscal year ending June 30, 2004, the flexible
9 benefit allowance amount for certified personnel shall be no less
10 than fifty-eight percent (58%) of the premium amount for the
11 HealthChoice (Hi) option plan for an individual offered by the
12 Oklahoma Employees Insurance and Benefits Board. For the fiscal
13 year ending June 30, 2003, and each fiscal year thereafter, the
14 flexible benefit allowance amount for support personnel shall be no
15 less than one hundred percent (100%) of the premium amount for the
16 HealthChoice (Hi) option plan for an individual offered by the
17 Oklahoma Employees Insurance and Benefits Board.

18 3. For the fiscal year ending June 30, 2005, and each fiscal
19 year thereafter, the flexible benefit allowance amount for certified
20 personnel shall be no less than one hundred percent (100%) of the
21 premium amount for the HealthChoice (Hi) option plan for an
22 individual offered by the Oklahoma Employees Insurance and Benefits
23 Board.
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1 C. If a school district employee who is participating in the
2 cafeteria plan elects benefits whose sum total is less than the
3 flexible benefit allowance, the employee shall receive any excess
4 flexible benefit allowance as taxable compensation. Such taxable
5 compensation shall be paid in substantially equal amounts each pay
6 period over the plan year. Except as otherwise provided for in
7 subsection D of this section, on termination during a plan year, a
8 participating school district employee shall have no right to
9 receive any taxable cash compensation allocated to the portion of
10 the plan year after the termination of the employee.

11 D. In cases where the employee of a school district fulfills
12 the terms of ~~their~~ his or her contract and terminates employment for
13 the subsequent year, the employee shall be entitled to the flexible
14 benefit allowance for the remainder of the current benefit term.
15 For purposes of this subsection, "benefit term" shall mean the
16 twelve-month period after the initiation of benefits for the
17 position held by the employee.

18 E. Each school district employee shall make an annual election
19 of benefits under the plan during an enrollment period to be held
20 prior to the beginning of each plan year. The enrollment period
21 dates will be determined annually and will be announced by the
22 school district, ~~providing~~ provided the enrollment period shall end
23 no later than thirty (30) days before the beginning of the plan
24 year. Each school district employee shall make an irrevocable

1 advance election for the plan year or the remainder of the plan year
2 pursuant to procedures the school district shall prescribe.

3 F. The school district shall prescribe the forms that school
4 district employees shall be required to use in making their
5 elections, and may prescribe deadlines and other procedures for
6 filing the elections.

7 G. School district employees hired after the closing of the
8 enrollment period shall be allowed to make an election as provided
9 in ~~this act~~ Section 26-101 et seq. of this title.

10 H. A school district board of education shall have the option
11 of providing a flexible benefit allowance to the superintendent of
12 the school district in an amount not more than the amount of the
13 flexible benefit allowance established for certified personnel in
14 subsection B of this section. Funding for the flexible benefit
15 allowance for a superintendent shall be provided through local
16 revenue.

17 SECTION 2. This act shall become effective November 1, 2026.

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