

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 HOUSE BILL 1951

By: Roberts (Dustin)

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5
6 AS INTRODUCED

7 An Act relating to state government; amending 74 O.S.
8 2011, Section 1370, as last amended by Section 4,
9 Chapter 266, O.S.L. 2013 (74 O.S. Supp. 2018, Section
10 1370), which relates to the flexible benefit
11 allowance; modifying allowance amounts; and providing
12 an effective date.

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

14 SECTION 1. AMENDATORY 74 O.S. 2011, Section 1370, as
15 last amended by Section 4, Chapter 266, O.S.L. 2013 (74 O.S. Supp.
16 2018, Section 1370), is amended to read as follows:

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

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

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

17 C. Except as provided in subsection D of this section, for the
18 plan year beginning ~~January 1, 2013, the benefit allowance shall not~~
19 ~~be less than the Plan Year 2012 benefit allowance amounts~~ January 1,
20 2020, and each plan year thereafter, the amount of a participant's
21 benefit allowance, which shall be the total amount the employer
22 contributes for the payment of insurance premiums or other benefits,
23 shall be:

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

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

19 a. for a spouse, seventy-five percent (75%) of ~~the~~
20 ~~HealthChoice High Option plan~~ an amount equal to the
21 average monthly premiums of the HealthChoice High
22 Option plan and the HMO plans, available for coverage
23 of a spouse,
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- 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 HealthChoice High
4 Option plan and the HMO plans, for coverage of one
5 child,
- 6 c. for two or more children, seventy-five percent (75%)
7 of ~~the HealthChoice High Option plan~~ an amount equal
8 to the average monthly premiums of the HealthChoice
9 High Option plan and the HMO plans, for coverage of
10 two or more children,
- 11 d. for a spouse and one child, seventy-five percent (75%)
12 of ~~the HealthChoice High Option plan~~ an amount equal
13 to the average monthly premiums of the HealthChoice
14 High Option plan and the HMO plans, for coverage of a
15 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~~ an
18 amount equal to the average monthly premiums of the
19 HealthChoice High Option plan and the HMO plans, for
20 coverage of a spouse and two or more children.

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

1 whereby he or she may purchase a group TRICARE Supplemental product
2 under a qualifying cafeteria plan consistent with the requirements
3 of 26 U.S.C., Section 125, provided that:

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

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

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

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

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

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

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

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

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SECTION 2. This act shall become effective November 1, 2019.

57-1-5445 LRB 01/10/19