

1 ENGROSSED HOUSE  
2 BILL NO. 1951

By: Roberts (Dustin) of the  
House

3 and

4 Leewright of the Senate

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7  
8 [ state government - flexible benefit allowance -  
9 effective date ]  
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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

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

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

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

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,  
24

- 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.

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

1 Passed the House of Representatives the 13th day of March, 2019.

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4 Presiding Officer of the House  
of Representatives

5 Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2019.

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9 Presiding Officer of the Senate