

1 STATE OF OKLAHOMA

2 1st Session of the 56th Legislature (2017)

3 SENATE BILL 305

By: Smalley

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6 AS INTRODUCED

7 An Act relating to school employee benefits; amending  
8 70 O.S. 2011, Section 26-105, which relates to the  
9 Larry Dickerson Education Flexible Benefits Allowance  
10 Act; modifying flexible benefit allowance; defining  
11 flexible benefit allowance amount; providing certain  
12 flexible benefit allowance related to TRICARE  
supplemental products; providing for purchase of  
benefits over allowance amount; providing for  
additional compensation for employees who make  
certain elections; providing an effective date; and  
declaring an emergency.

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

16 SECTION 1. AMENDATORY 70 O.S. 2011, Section 26-105, is  
17 amended to read as follows:

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

1 benefits offered by the school district or may be taken as taxable  
2 compensation as provided in subsection G H of this section.  
3 Certified personnel who choose not to participate in the school-  
4 district-sponsored cafeteria plan shall receive Sixty-nine Dollars  
5 and seventy-one cents (\$69.71) per month as taxable compensation in  
6 lieu of the flexible benefit allowance amount provided in subsection  
7 B of this section. Support personnel who choose not to participate  
8 in the school-district-sponsored cafeteria plan shall receive One  
9 Hundred Eighty-nine Dollars and sixty-nine cents (\$189.69) per month  
10 as taxable compensation in lieu of the flexible benefit allowance  
11 amount provided in subsection B of this section.

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

18 1. For the fiscal year ending June 30, 2002, the flexible  
19 benefit allowance amount for certified personnel shall be no less  
20 than Sixty-nine Dollars and seventy-one cents (\$69.71) per month.  
21 For the fiscal year ending June 30, 2002, the flexible benefit  
22 allowance amount for support personnel shall be no less than One  
23 Hundred Eighty-nine Dollars and sixty-nine cents (\$189.69) per  
24 month.

1           2. For the fiscal year ending June 30, 2004, the flexible  
2 benefit allowance amount for certified personnel shall be no less  
3 than fifty-eight percent (58%) of the premium amount for the  
4 HealthChoice (Hi) option plan for an individual offered by the State  
5 and Education Employees Group Insurance Board. For the fiscal year  
6 ending June 30, 2003, and each fiscal year thereafter, the flexible  
7 benefit allowance amount for support personnel shall be no less than  
8 one hundred percent (100%) of the premium amount for the  
9 HealthChoice (Hi) option plan for an individual offered by the State  
10 and Education Employees Group Insurance Board.

11           3. For the fiscal year ending June 30, 2005, and each fiscal  
12 year thereafter, the flexible benefit allowance amount for certified  
13 personnel shall be no less than one hundred percent (100%) of the  
14 premium amount for the HealthChoice (Hi) option plan for an  
15 individual offered by the State and Education Employees Group  
16 Insurance Board.

17           C. Except as provided in subsection D of this section, for the  
18 plan year beginning January 1, 2018, the benefit allowance shall not  
19 be less than the Plan Year 2012 benefit allowance amounts, and each  
20 plan year thereafter, the amount of a participant's benefit  
21 allowance, which shall be the total amount the employer contributes  
22 for the payment of insurance premiums or other benefits, shall be:

23           1. The greater of the amount of benefit which the participant  
24 would have qualified for as of Plan Year 2012, or an amount equal to

1 the monthly premium of the HealthChoice High Option plan, 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; or

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

16 a. for a spouse, seventy-five percent (75%) of the  
17 HealthChoice High Option plan, available for coverage  
18 of a spouse,

19 b. for one child, seventy-five percent (75%) of the  
20 HealthChoice High Option plan, for coverage of one  
21 child,

22 c. for two or more children, seventy-five percent (75%)  
23 of the HealthChoice High Option plan, for coverage of  
24 two or more children,

1           d. for a spouse and one child, seventy-five percent (75%)  
2           of the HealthChoice High Option plan, for coverage of  
3           a spouse and one child, or

4           e. for a spouse and two or more children, seventy-five  
5           percent (75%) of the HealthChoice High Option plan,  
6           for coverage of a spouse and two or more children.

7           D. To the extent that it is consistent with federal laws and  
8           regulations, and in particular the regulations set forth by the  
9           Secretary of Defense in 32 C.F.R. Section 199.8(d) (6), a benefit may  
10           be provided to an employee who is an eligible TRICARE beneficiary  
11           whereby he or she may purchase a group TRICARE Supplemental product  
12           under a qualifying cafeteria plan consistent with the requirements  
13           of 26 U.S.C., Section 125, provided that:

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

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

18           3. The employee's participation in the plan is completely  
19           voluntary.

20           The benefit allowance under paragraph 2 of subsection C of this  
21           section of an employee whose plan participation includes a group  
22           TRICARE Supplemental benefit shall not include any allowance or  
23           portion thereof for such TRICARE Supplemental benefit.

1       E. This section shall not prohibit payments for supplemental  
2 health insurance coverage made pursuant to Section 1314.4 of Title  
3 74 of the Oklahoma Statutes or payments for the cost of providing  
4 health insurance coverage for dependents of employees of the Grand  
5 River Dam Authority.

6       F. If a participant desires to buy benefits whose sum total of  
7 benefit prices is in excess of his or her flexible benefit  
8 allowance, the participant may elect to use pay conversion dollars  
9 to purchase such excess benefits. Pay conversion dollars may be  
10 elected through a salary reduction agreement made pursuant to the  
11 election procedures of Section 1371 of Title 74 of the Oklahoma  
12 Statutes. The elected amount shall be deducted from the  
13 participant's compensation in equal amounts each pay period, with  
14 the exception of participants on a biweekly payroll system, where  
15 such deduction shall occur over twenty-four pay periods over the  
16 plan year. On termination of employment during a plan year, a  
17 participant shall have no obligation to pay the participating  
18 employer any pay conversion dollars allocated to the portion of the  
19 plan year after the participant's termination of employment.

20       G. If a participant elects benefits whose sum total of benefit  
21 prices is less than his or her flexible benefit allowance, he or she  
22 shall receive any excess flexible benefit allowance as taxable  
23 compensation. Such taxable compensation will be paid in  
24 substantially equal amounts each pay period, with the exception of

1 participants on a biweekly payroll system, where such deduction  
2 shall occur over twenty-four pay periods over the plan year, except  
3 as otherwise provided for in subsection H of this section. On  
4 termination during a plan year, a participant shall have no right to  
5 receive any such taxable cash compensation allocated to the portion  
6 of the plan year after the participant's termination. Nothing  
7 herein shall affect a participant's obligation to elect the minimum  
8 benefits or to accept the default benefits of the plan with  
9 corresponding reduction in the sum of his or her flexible benefit  
10 allowance equal to the sum total benefit price of such minimum  
11 benefits or default benefits.

12 ~~C. If a school district employee who is participating in the~~  
13 ~~cafeteria plan elects benefits whose sum total is less than the~~  
14 ~~flexible benefit allowance, the employee shall receive any excess~~  
15 ~~flexible benefit allowance as taxable compensation. Such taxable~~  
16 ~~compensation shall be paid in substantially equal amounts each pay~~  
17 ~~period over the plan year. Except as otherwise provided for in~~  
18 ~~subsection D of this section, on termination during a plan year, a~~  
19 ~~participating school district employee shall have no right to~~  
20 ~~receive any taxable cash compensation allocated to the portion of~~  
21 ~~the plan year after the termination of the employee.~~

22 D. H. In cases where the employee of a school district fulfills  
23 the terms of their contract and terminates employment for the  
24 subsequent year, the employee shall be entitled to the flexible

1 benefit allowance for the remainder of the current benefit term.  
2 For purposes of this subsection, "benefit term" shall mean the  
3 twelve-month period after the initiation of benefits for the  
4 position held by the employee.

5 ~~E.~~ I. Each school district employee shall make an annual  
6 election of benefits under the plan during an enrollment period to  
7 be held prior to the beginning of each plan year. The enrollment  
8 period dates will be determined annually and will be announced by  
9 the school district, providing the enrollment period shall end no  
10 later than thirty (30) days before the beginning of the plan year.  
11 Each school district employee shall make an irrevocable advance  
12 election for the plan year or the remainder of the plan year  
13 pursuant to procedures the school district shall prescribe.

14 ~~F.~~ J. The school district shall prescribe the forms that school  
15 district employees shall be required to use in making their  
16 elections, and may prescribe deadlines and other procedures for  
17 filing the elections.

18 ~~G.~~ K. School district employees hired after the closing of the  
19 enrollment period shall be allowed to make an election as provided  
20 in ~~this act~~ the Larry Dickerson Educational Flexible Benefits  
21 Allowance Act.

22 ~~H.~~ L. A district board of education shall have the option of  
23 providing a flexible benefit allowance to the superintendent of the  
24 school district in an amount not more than the amount of the



1 flexible benefit allowance established for certified personnel in  
2 subsection B of this section. Funding for the flexible benefit  
3 allowance for a superintendent shall be provided through local  
4 revenue.

5 SECTION 2. This act shall become effective July 1, 2017.

6 SECTION 3. It being immediately necessary for the preservation  
7 of the public peace, health or safety, an emergency is hereby  
8 declared to exist, by reason whereof this act shall take effect and  
9 be in full force from and after its passage and approval.

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