

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                               STATE OF OKLAHOMA

3                               1st Session of the 57th Legislature (2019)

4   HOUSE BILL 1951

                              By: Roberts (Dustin)

7                               AS INTRODUCED

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

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

15           SECTION 1.        AMENDATORY        74 O.S. 2011, Section 1370, as  
16   last amended by Section 4, Chapter 266, O.S.L. 2013 (74 O.S. Supp.  
17   2018, Section 1370), is amended to read as follows:

18           Section 1370.   A.   Subject to the requirement that a participant  
19   must elect the default benefits, the basic plan, or is a person who  
20   has retired from a branch of the United States military and has been  
21   provided with health care through a federal plan, to the extent that  
22   it is consistent with federal law, or is an active employee who is  
23   eligible to participate and who is a participant who has opted out  
24   of the state's basic plan according to the provisions of Section

1 1308.3 of this title, and provides proof of this coverage, flexible  
2 benefit dollars may be used to purchase any of the benefits offered  
3 by the Oklahoma State Employees Benefits Council under the flexible  
4 benefits plan. A participant who has opted out of the state's basic  
5 plan and provided proof of other coverage as described in this  
6 subsection shall receive One Hundred Fifty Dollars (\$150.00) in lieu  
7 of the flexible benefit monthly. A participant's flexible benefit  
8 dollars for a plan year shall consist of the sum of (1) flexible  
9 benefit allowance credited to a participant by the participating  
10 employer, and (2) pay conversion dollars elected by a participant.

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

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

1 contributes for the payment of insurance premiums or other benefits,  
2 shall be:

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

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

- 21 a. for a spouse, seventy-five percent (75%) of ~~the~~  
22 ~~HealthChoice High Option plan~~ an amount equal to the  
23 average monthly premiums of the HealthChoice High  
24

1           Option plan and the HMO plans, available for coverage  
2           of a spouse,

3           b.   for one child, seventy-five percent (75%) of ~~the~~  
4           ~~HealthChoice High Option plan~~ an amount equal to the  
5           average monthly premiums of the HealthChoice High  
6           Option plan and the HMO plans, for coverage of one  
7           child,

8           c.   for two or more children, seventy-five percent (75%)  
9           of ~~the HealthChoice High Option plan~~ an amount equal  
10          to the average monthly premiums of the HealthChoice  
11          High Option plan and the HMO plans, 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~~ an amount equal  
15          to the average monthly premiums of the HealthChoice  
16          High Option plan and the HMO plans, for coverage of a  
17          spouse and one child, or

18          e.   for a spouse and two or more children, seventy-five  
19          percent (75%) of ~~the HealthChoice High Option plan~~ an  
20          amount equal to the average monthly premiums of the  
21          HealthChoice High Option plan and the HMO plans, for  
22          coverage of a spouse and two or more children.

23          D.   To the extent that it is consistent with federal laws and  
24          regulations, and in particular the regulations set forth by the

1 Secretary of Defense in 32 C.F.R. Section 199.8(d)(6), a benefit may  
2 be provided to an employee who is an eligible TRICARE beneficiary  
3 whereby he or she may purchase a group TRICARE Supplemental product  
4 under a qualifying cafeteria plan consistent with the requirements  
5 of 26 U.S.C., Section 125, provided that:

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

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

10 3. The employee's participation in the plan is completely  
11 voluntary.

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

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

21 F. If a participant desires to buy benefits whose sum total of  
22 benefit prices is in excess of his or her flexible benefit  
23 allowance, the participant may elect to use pay conversion dollars  
24 to purchase such excess benefits. Pay conversion dollars may be

1 elected through a salary reduction agreement made pursuant to the  
2 election procedures of Section 1371 of this title. The elected  
3 amount shall be deducted from the participant's compensation in  
4 equal amounts each pay period, with the exception of participants on  
5 a biweekly payroll system, where such deduction shall occur over  
6 twenty-four pay periods over the plan year. On termination of  
7 employment during a plan year, a participant shall have no  
8 obligation to pay the participating employer any pay conversion  
9 dollars allocated to the portion of the plan year after the  
10 participant's termination of employment.

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

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

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5 COMMITTEE REPORT BY: COMMITTEE ON GOVERNMENT EFFICIENCY, dated  
6 02/27/2019 - DO PASS.

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