

STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

COMMITTEE SUBSTITUTE
FOR

SENATE BILL NO. 24

By: Pemberton

COMMITTEE SUBSTITUTE

An Act relating to Oklahoma Employees Insurance and Benefits Act; amending 74 O.S. 2021, Sections 1316.2 and 1316.3, which relate to continuance of health and dental insurance benefits; allowing for certain members of the Oklahoma Public Employees Retirement System and the Teachers' Retirement System of Oklahoma to reinstate previously declined health and dental coverage during certain election period; updating statutory language; updating statutory reference; and reinstating payable benefit.

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

SECTION 1. AMENDATORY 74 O.S. 2021, Section 1316.2, is amended to read as follows:

Section 1316.2. A. Any employee, other than an education employee, who retires pursuant to the provisions of the Oklahoma Public Employees Retirement System or who has a vested benefit pursuant to the provisions of the Oklahoma Public Employees Retirement System may continue in force the health and dental insurance benefits authorized by the provisions of the Oklahoma Employees Insurance and Benefits Act, or other employer insurance

1 benefits if the employer does not participate in the plans offered
2 by the Office of Management and Enterprise Services, if such
3 election to continue in force is made within thirty (30) days from
4 the date of termination of service. Except as otherwise provided
5 for in ~~Section 840-2.27I of this title~~ this subsection and
6 subsection H of this section, health and dental insurance coverage
7 may not be reinstated at a later time if the election to continue in
8 force is declined. Provided, a retired member of the System who
9 declines to continue in force the health and dental benefits
10 authorized by the provisions of the Oklahoma Employees Insurance and
11 Benefits Act may have such coverage reinstated during the election
12 period of any given year as prescribed by the Office of Management
13 and Enterprise Services. Upon reinstatement of health and dental
14 benefits, the retired member shall receive the maximum benefit
15 payable pursuant to this section. Provided further, a retired
16 member may only make such election once. Upon declining to continue
17 in force coverage under this subsection, the member shall not be
18 eligible to reinstate the coverage again. Vested employees other
19 than education employees who have terminated service and are not
20 receiving benefits and effective July 1, 1996, nonvested persons who
21 have terminated service with more than eight (8) years of
22 participating service with a participating employer, who within
23 thirty (30) days from the date of termination of service elect to
24 continue such coverage, shall pay the full cost of the insurance

1 premium at the rate and pursuant to the terms and conditions
2 established by the Office. Provided also, any employee other than
3 an education employee who commences employment with a participating
4 employer on or after September 1, 1991, who terminates service with
5 such employer on or after July 1, 1996, but who otherwise has
6 insufficient years of service to retire or terminate service with a
7 vested benefit pursuant to the provisions of the Oklahoma Public
8 Employees Retirement System or to elect to continue coverage as a
9 nonvested employee as provided in this section, but who, immediately
10 prior to employment with the participating employer, was covered as
11 a dependent on the health and dental insurance policy of a spouse
12 who was an active employee other than an education employee, may
13 count as part of his or her credited service for the purpose of
14 determining eligibility to elect to continue coverage under this
15 section, the time during which the terminating employee was covered
16 as such a dependent.

17 B. 1. Health insurance benefit plans offered pursuant to this
18 section shall include:

- 19 a. indemnity plans offered through the Office,
- 20 b. managed care plans offered as alternatives to the
21 indemnity plans offered through the Office,
- 22 c. Medicare supplements offered pursuant to the Oklahoma
23 Employees Insurance and Benefits Act,

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- 1 d. Medicare risk-sharing contracts offered as
2 alternatives to the Medicare supplements offered
3 through the Office. All Medicare risk-sharing
4 contracts shall be subject to a risk adjustment
5 factor, based on generally accepted actuarial
6 principles for adverse selection which may occur, and
7 e. for the Oklahoma Public Employees Retirement System,
8 other employer-provided health insurance benefit plans
9 if the employer does not participate in the plans
10 offered pursuant to the Oklahoma Employees Insurance
11 and Benefits Act.

12 2. Health insurance benefit plans offered pursuant to this
13 section shall provide prescription drug benefits, except for plans
14 designed pursuant to the Medicare Prescription Drug, Improvement,
15 and Modernization Act of 2003, for which provision of prescription
16 drug benefits is optional, and except for plans offered pursuant to
17 subparagraph e of paragraph 1 of this subsection.

18 C. 1. Designated public retirement systems shall contribute a
19 monthly amount towards the health insurance premium of certain
20 individuals receiving benefits from the public retirement system as
21 follows:

- 22 a. a retired employee, other than an education employee
23 or an employee who participates in the defined
24 contribution system administered by the Oklahoma

1 Public Employees Retirement System on or after
2 November 1, 2015, who is receiving benefits from the
3 Oklahoma Public Employees Retirement System after
4 September 30, 1988, shall have One Hundred Five
5 Dollars (\$105.00), or the premium rate of the health
6 insurance benefit plan, whichever is less, paid by the
7 Oklahoma Public Employees Retirement System to the
8 Board or to another insurance carrier or other
9 qualified benefits administrator of the employer if
10 the employer does not participate in the plans offered
11 by the Office in the manner specified in subsection G
12 of this section,

13 b. a retired employee or surviving spouse other than an
14 education employee who is receiving benefits from the
15 Oklahoma Law Enforcement Retirement System after
16 September 30, 1988, is under sixty-five (65) years of
17 age and is not otherwise eligible for Medicare shall
18 have the premium rate for the health insurance benefit
19 plan or One Hundred Five Dollars (\$105.00), whichever
20 is less, paid by the Oklahoma Law Enforcement
21 Retirement System to the Office in the manner
22 specified in subsection G of this section,

23 c. a retired employee other than an education employee
24 who is receiving benefits from the Oklahoma Law

1 Enforcement Retirement System after September 30,
2 1988, is sixty-five (65) years of age or older or who
3 is under sixty-five (65) years of age and is eligible
4 for Medicare shall have One Hundred Five Dollars
5 (\$105.00), or the premium rate of the health insurance
6 benefit plan, whichever is less, paid by the Oklahoma
7 Law Enforcement Retirement System to the Office in the
8 manner specified in subsection G of this section, and

9 d. a retired employee other than an education employee
10 who is receiving benefits from the Uniform Retirement
11 System for Justices and Judges after September 30,
12 1988, shall have One Hundred Five Dollars (\$105.00),
13 or the premium rate of the health insurance plan,
14 whichever is less, paid by the Uniform Retirement
15 System for Justices and Judges to the Office in the
16 manner specified in subsection G of this section.

17 2. Premium payments made pursuant to this section shall be made
18 subject to the following conditions:

19 a. the health plan shall be authorized by the provisions
20 of the Oklahoma Employees Insurance and Benefits Act,
21 except that if an employer from which an employee
22 retired or with a vested benefit pursuant to the
23 provisions of the Oklahoma Public Employees Retirement
24 System does not participate in the plans authorized by

1 the provisions of the Oklahoma Employees Insurance and
2 Benefits Act, the health plan will be the health
3 insurance benefits of the employer from which the
4 individual retired or vested,

5 b. for plans offered by the Oklahoma Employees Insurance
6 and Benefits Act, the amount to be paid shall be
7 determined pursuant to the provisions of this
8 subsection and shall first be applied in whole or in
9 part to the prescription drug coverage premium. Any
10 remaining amount shall be applied toward the medical
11 coverage premium,

12 c. for all plans, if the amount paid by the public
13 retirement system does not cover the full cost of the
14 elected coverage, the individual shall pay the
15 remaining premium amount, and

16 d. payment shall be made by the retirement systems in the
17 manner specified under subsection G of this section.

18 D. For any member of the Oklahoma Law Enforcement Retirement
19 System killed in the line of duty, whether the member was killed in
20 the line of duty prior to May 18, 2005, or on or after May 18, 2005,
21 or if the member was on a disability leave status at the time of
22 death, the surviving spouse or dependents of such deceased member of
23 the Oklahoma Law Enforcement Retirement System may elect to continue
24 or commence health and dental insurance benefits, provided the

1 dependents pay the full cost of such insurance, and for deaths
2 occurring on or after July 1, 2002, such election is made within
3 thirty (30) days of the date of death. The eligibility for the
4 benefits shall terminate for the surviving children when the
5 children cease to qualify as dependents.

6 E. Effective July 1, 2004, a retired member of the Oklahoma Law
7 Enforcement Retirement System who retired from the System by means
8 of a personal and traumatic injury of a catastrophic nature and in
9 the line of duty and any surviving spouse of such retired member and
10 any surviving spouse of a member who was killed in the line of duty
11 shall have one hundred percent (100%) of the retired member's or
12 surviving spouse's health care premium cost, whether the member or
13 surviving spouse elects coverage under the Medicare supplement or
14 Medicare risk-sharing contract, paid by the Oklahoma Law Enforcement
15 Retirement System to the Office in the manner specified in
16 subsection H of this section. For plans offered by the Office, such
17 contributions will first be applied in whole or in part to the
18 prescription drug coverage premium, if any.

19 F. Dependents of a deceased employee who was on active work
20 status or on a disability leave at the time of death or of a
21 participating ~~retardant~~ individual or of any person who has elected
22 to receive a vested benefit under the Oklahoma Public Employees
23 Retirement System, the Uniform Retirement System for Justices and
24 Judges or the Oklahoma Law Enforcement Retirement System may

1 continue the health and dental insurance benefits in force, provided
2 the dependents pay the full cost of such insurance and they were
3 covered as eligible dependents at the time of such death and such
4 election is made within thirty (30) days of date of death. The
5 eligibility for the benefits shall terminate for the surviving
6 children when the children cease to qualify as dependents.

7 G. The amounts required to be paid by the Oklahoma Public
8 Employees Retirement System, the Uniform Retirement System for
9 Justices and Judges and the Oklahoma Law Enforcement Retirement
10 System pursuant to this section shall be forwarded no later than the
11 tenth day of each month following the month for which payment is due
12 by the Oklahoma Public Employees Retirement System Board of Trustees
13 or the Oklahoma Law Enforcement Retirement Board to the Office for
14 deposit in the ~~Health, Dental and~~ Health and Dental Insurance
15 Reserve Fund and Life Insurance Reserve Fund or to another insurance
16 carrier or other administrator of qualified benefits of the employer
17 as provided for in subsection H of Section 1315 of this title.

18 H. Upon retirement from employment of the Board of Regents of
19 the University of Oklahoma, any person who was or is employed at the
20 George Nigh Rehabilitation Institute and who transferred employment
21 pursuant to Section 3427 of Title 70 of the Oklahoma Statutes, any
22 person who was employed at the Medical Technology and Research
23 Authority and who transferred employment pursuant to Section 7068 of
24 this title and any person who is a member of the Oklahoma Law

1 Enforcement Retirement System pursuant to the authority of Section
2 2-314 of Title 47 of the Oklahoma Statutes may participate in the
3 benefits authorized by the provisions of the Oklahoma Employees
4 Insurance and Benefits Act for retired participants including
5 health, dental and life insurance benefits, if such election to
6 participate is made within thirty (30) days from the date of
7 termination of service. Life insurance benefits for any such person
8 who transferred employment shall not exceed the coverage the person
9 had at the time of such transfer. Retirees who transferred
10 employment and who participate pursuant to this paragraph shall pay
11 the premium for elected benefits less any amounts paid by a state
12 retirement system pursuant to this section.

13 SECTION 2. AMENDATORY 74 O.S. 2021, Section 1316.3, is
14 amended to read as follows:

15 Section 1316.3. A. Any person who retires pursuant to the
16 provisions of the Teachers' Retirement System of Oklahoma with at
17 least ten (10) years of creditable service or who has a vested
18 benefit with at least ten (10) years of creditable service, pursuant
19 to the provisions of the Teachers' Retirement System of Oklahoma may
20 continue in force the health and dental insurance benefits
21 authorized by the provisions of the Oklahoma Employees Insurance and
22 Benefits Act if such election to continue in force or begin is made
23 within thirty (30) days from the date of termination of service.
24 Except as provided in subsection E of Sections 5-117.5 and 14-108.1

1 of Title 70 of the Oklahoma Statutes and ~~Section 840-2.27I of this~~
2 ~~title and~~ subsection K of this section, health and dental insurance
3 coverage may not be reinstated at a later time if the election to
4 continue in force or begin coverage is declined. Provided, a
5 retired member of the System who declines to continue in force the
6 health and dental benefits authorized by the provisions of the
7 Oklahoma Employees Insurance and Benefits Act may have such coverage
8 reinstated during the election period of any given year as
9 prescribed by the Office of Management and Enterprise Services.
10 Upon reinstatement of health and dental benefits, the retired member
11 shall receive the maximum benefit payable pursuant to subsection E
12 of this section. Provided further, a retired member may only make
13 such election once. Upon declining to continue in force coverage
14 under this subsection, the member shall not be eligible to reinstate
15 the coverage again. Vested persons who have terminated service and
16 are not receiving benefits and effective July 1, 1996, nonvested
17 persons who have terminated service with more than ten (10) years of
18 participating service with a qualifying employer, who within thirty
19 (30) days from the date of termination of service, elect to continue
20 such coverage, shall pay the full cost of ~~said~~ the insurance premium
21 at the rate and pursuant to the terms and conditions established by
22 the Office ~~of Management and Enterprise Services.~~

23 B. 1. Health insurance benefit plans offered pursuant to this
24 section shall include:

1 2. Is receiving benefits from the Teachers' Retirement System
2 of Oklahoma after June 30, 1993, is under sixty-five (65) years of
3 age and is not otherwise eligible for Medicare and participates in a
4 health insurance plan provided by a participating education employer
5 of the Teachers' Retirement System of Oklahoma other than a health
6 insurance plan offered pursuant to the Oklahoma Employees Insurance
7 and Benefits Act or an alternative health plan offered pursuant to
8 the Oklahoma State Employees Benefits Act;

9 3. Is receiving benefits from the Teachers' Retirement System
10 of Oklahoma after September 30, 1988, made contributions to the
11 system and is sixty-five (65) years of age or older, or who is under
12 sixty-five (65) years of age and is eligible for Medicare and is a
13 participant in the Oklahoma Employees Insurance and Benefits Act and
14 elects coverage under the Medicare supplement offered by the Office;
15 or

16 4. Is receiving benefits from the Teachers' Retirement System
17 of Oklahoma after June 30, 1993, made contributions to the system
18 and is sixty-five (65) years of age or older, or who is under sixty-
19 five (65) years of age and is eligible for Medicare and participates
20 in a health insurance plan provided by a participating education
21 employer of the Teachers' Retirement System of Oklahoma other than a
22 health insurance plan offered pursuant to the Oklahoma Employees
23 Insurance and Benefits Act or an alternative health plan offered
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1 pursuant to the Oklahoma State Employees Benefits Act and elects
2 coverage under the Medicare supplement offered by the Office,
3 shall have the amount determined pursuant to subsection E of this
4 section, or the premium rate of the health insurance benefit plan,
5 whichever is less, paid by the Teachers' Retirement System of
6 Oklahoma. If the amount paid by the Teachers' Retirement System of
7 Oklahoma does not cover the full cost of the health insurance
8 premium, the retired person shall pay the remaining amount if the
9 retired person wants to continue the coverage.

10 D. The Teachers' Retirement System shall pay the amount due
11 pursuant to the provisions of subsection C of this section as
12 follows:

13 1. For those individuals participating in plans provided
14 through the Oklahoma Employees Insurance and Benefits Act, payment
15 shall be made to the Office pursuant to the provisions of subsection
16 I of this section; or

17 2. For those individuals participating in plans provided
18 through a participating education employer of the Teachers'
19 Retirement System of Oklahoma other than a health insurance plan
20 offered pursuant to the Oklahoma Employees Insurance and Benefits
21 Act, payment shall be made to the education employer.

22 E. Beginning July 1, 2000, the maximum benefit payable by the
23 Teachers' Retirement System of Oklahoma on behalf of a retired
24 person toward ~~said~~ such person's monthly premium for health

1 insurance shall be determined in accordance with the following
 2 schedule:

	LESS THAN	25 YEARS BUT	GREATER
	LESS THAN	GREATER THAN	THAN 24.99
AVERAGE SALARY	15 YEARS OF	14.99 YEARS OF	YEARS OF
USED FOR DETERMINING	CREDITABLE	CREDITABLE	CREDITABLE
RETIREMENT ALLOWANCE	SERVICE	SERVICE	SERVICE
9 Less than \$20,000.00	\$103.00	\$104.00	\$105.00
10 Less than \$30,000.00 but			
11 greater than \$19,999.99	\$102.00	\$103.00	\$104.00
12 Less than \$40,000.00 but			
13 greater than \$29,999.99	\$101.00	\$102.00	\$103.00
14 \$40,000.00 or greater	\$100.00	\$101.00	\$102.00

15 For plans offered by the Office, the amount paid pursuant to
 16 this subsection shall first be applied to the prescription drug
 17 coverage premium, if any. Any remaining amounts shall be applied
 18 towards the medical coverage premium.

19 F. If a person retires and begins to receive benefits from the
 20 Teachers' Retirement System of Oklahoma or terminates service and
 21 has a vested benefit with the Teachers' Retirement System of
 22 Oklahoma, the person may elect, in the manner provided in subsection
 23 A of this section, to participate in the dental insurance plan

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1 offered through the Oklahoma Employees Insurance and Benefits Act.

2 The person shall pay the full cost of the dental insurance.

3 G. Those persons who are receiving benefits from the Teachers'
4 Retirement System of Oklahoma and have health insurance coverage
5 which on the operative date of this section is being paid by the
6 education entity from which the person retired shall make the
7 election required in subsection A of this section within thirty (30)
8 days of the termination of ~~said~~ such health insurance coverage. The
9 person making the election shall give the Office certified
10 documentation satisfactory to the Office of the termination date of
11 the other health insurance coverage.

12 H. Dependents of a deceased education employee who was on
13 active work status or on a disability leave at the time of death or
14 of a participating retirant or of any person who has elected to
15 receive a vested benefit under the Teachers' Retirement System of
16 Oklahoma may continue the health and dental insurance benefits in
17 force provided ~~said~~ the dependents pay the full cost of such
18 insurance and they were covered as eligible dependents at the time
19 of such death and such election is made within thirty (30) days of
20 date of death. The eligibility for ~~said~~ such benefits shall
21 terminate for the surviving children when ~~said~~ the children cease to
22 qualify as dependents.

23 I. The amounts required to be paid by the Teachers' Retirement
24 System of Oklahoma pursuant to this section shall be forwarded no

1 later than the tenth day of each month following the month for which
2 payment is due by the Board of Trustees of the Teachers' Retirement
3 System of Oklahoma to the Office for deposit ~~in the Education~~
4 ~~Employees Group Insurance Reserve Fund.~~

5 J. The Teachers' Retirement System of Oklahoma shall provide
6 the Office information concerning the employers of retired and
7 vested members necessary to allow the Office to track eligibility
8 for continued coverage.

9 K. Upon retirement from employment with the Board of Regents of
10 the University of Oklahoma, any person who is or was employed at the
11 George Nigh Rehabilitation Institute and who transferred employment
12 pursuant to Section 3427 of Title 70 of the Oklahoma Statutes, any
13 person who was employed at the Medical Technology and Research
14 Authority and who transferred employment pursuant to Section 7068 of
15 this title, and any person who is a member of the Oklahoma Law
16 Enforcement Retirement System pursuant to the authority of Section
17 2-314 of Title 47 of the Oklahoma Statutes may participate in the
18 benefits authorized by the provisions of the Oklahoma Employees
19 Insurance and Benefits Act for retired participants, including
20 health, dental and life insurance benefits, if such election to
21 participate is made within thirty (30) days from the date of
22 termination of employment. Life insurance benefits for any such
23 person who transferred employment shall not exceed the coverage the
24 person had at the time of such transfer. Retirees who are persons

1 who transferred employment and who participate pursuant to this
2 paragraph shall pay the premium for elected benefits less any
3 amounts paid by the retirement system pursuant to this section.

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