

1 STATE OF OKLAHOMA

2 2nd Session of the 58th Legislature (2022)

3 SENATE BILL 1127

By: Bullard

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5  
6 AS INTRODUCED

7 An Act relating to state insurance; amending 70 O.S.  
8 2021, Section 26-105, which relates to teacher  
9 benefit allowance; increasing allowance received by  
10 education employees for opting out of school-  
11 district-sponsored insurance plan; requiring certain  
12 documentation; amending 74 O.S. 2021, Sections 1303  
13 and 1308.3, which relate to the Oklahoma Employees  
14 Insurance and Benefits Act; modifying definition of  
15 employee; modifying amount received by employees  
16 opting out of certain insurance plan; providing an  
17 effective date; and declaring an emergency.

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

19 SECTION 1. AMENDATORY 70 O.S. 2021, Section 26-105, is  
20 amended to read as follows:

21 Section 26-105. A. 1. The flexible benefit allowance shall be  
22 used by a school district employee who is participating in the  
23 cafeteria plan to purchase major medical health care plan coverage  
24 offered by the school district through a cafeteria plan. Any excess  
flexible benefit allowance over the cost of the major medical  
coverage purchased by the employee who is participating in the  
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 C of this section.

3 2. Certified personnel who choose not to participate in the  
4 school-district-sponsored cafeteria plan shall receive Sixty-nine  
5 Dollars and seventy-one cents (\$69.71) per month as taxable  
6 compensation in lieu of the flexible benefit allowance amount  
7 provided in subsection B of this section. For the fiscal year  
8 ending June 30, 2023, and each fiscal year thereafter, certified  
9 personnel who choose not to participate in the school-district-  
10 sponsored cafeteria plan shall receive Three Hundred Dollars  
11 (\$300.00) per month as taxable compensation in lieu of the flexible  
12 benefit allowance amount provided in subsection B of this section.

13 3. Support personnel who choose not to participate in the  
14 school-district-sponsored cafeteria plan shall receive One Hundred  
15 Eighty-nine Dollars and sixty-nine cents (\$189.69) per month as  
16 taxable compensation in lieu of the flexible benefit allowance  
17 amount provided in subsection B of this section. For the fiscal  
18 year ending June 30, 2023, and each fiscal year thereafter, support  
19 personnel who choose not to participate in the school-district-  
20 sponsored cafeteria plan shall receive Three Hundred Dollars  
21 (\$300.00) per month as taxable compensation in lieu of the flexible  
22 benefit allowance amount provided in subsection B of this section.

23 4. Certified or support personnel who choose not to participate  
24 in the cafeteria plan pursuant to this subsection shall provide

1 proof of coverage under a separate health insurance plan and sign an  
2 affidavit attesting that the employee is currently covered and does  
3 not require school-district-sponsored health insurance each plan  
4 year.

5 B. Each eligible school district employee shall be credited  
6 annually with a specified amount as a flexible benefit allowance  
7 which shall be available for the purchase of benefits. The amount  
8 of the flexible benefit allowance credited to each eligible school  
9 district employee shall be communicated to the employee prior to the  
10 enrollment period for each plan year.

11 1. For the fiscal year ending June 30, 2002, the flexible  
12 benefit allowance amount for certified personnel shall be no less  
13 than Sixty-nine Dollars and seventy-one cents (\$69.71) per month.  
14 For the fiscal year ending June 30, 2002, the flexible benefit  
15 allowance amount for support personnel shall be no less than One  
16 Hundred Eighty-nine Dollars and sixty-nine cents (\$189.69) per  
17 month.

18 2. For the fiscal year ending June 30, 2004, the flexible  
19 benefit allowance amount for certified personnel shall be no less  
20 than fifty-eight percent (58%) of the premium amount for the  
21 HealthChoice (Hi) option plan for an individual offered by the State  
22 and Education Employees Group Insurance Board. For the fiscal year  
23 ending June 30, 2003, and each fiscal year thereafter, the flexible  
24 benefit allowance amount for support personnel shall be no less than

1 one hundred percent (100%) of the premium amount for the  
2 HealthChoice (Hi) option plan for an individual offered by the State  
3 and Education Employees Group Insurance Board.

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

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

20 D. In cases where the employee of a school district fulfills  
21 the terms of their contract and terminates employment for the  
22 subsequent year, the employee shall be entitled to the flexible  
23 benefit allowance for the remainder of the current benefit term.  
24 For purposes of this subsection, "benefit term" shall mean the

1 twelve-month period after the initiation of benefits for the  
2 position held by the employee.

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

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

16 G. School district employees hired after the closing of the  
17 enrollment period shall be allowed to make an election as provided  
18 in this act.

19 H. A district board of education shall have the option of  
20 providing a flexible benefit allowance to the superintendent of the  
21 school district in an amount not more than the amount of the  
22 flexible benefit allowance established for certified personnel in  
23 subsection B of this section. Funding for the flexible benefit  
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1 allowance for a superintendent shall be provided through local  
2 revenue.

3 SECTION 2. AMENDATORY 74 O.S. 2021, Section 1303, is  
4 amended to read as follows:

5 Section 1303. For the purposes of and as used in the Oklahoma  
6 Employees Insurance and Benefits Act:

7 1. "Board" means the Oklahoma Employees Insurance and Benefits  
8 Board as created by the Oklahoma Employees Insurance and Benefits  
9 Act;

10 2. "Plan" means the Oklahoma Employees Insurance Plan;

11 3. "Employee" means those state employees, education employees  
12 and other eligible employees participating in the Oklahoma Employees  
13 Insurance and Benefits Act. For the purpose of Section 1308.3 of  
14 this title, employee shall not include education employees;

15 4. "Education employee" means those employees other than  
16 adjunct professors employed by a state institution of higher  
17 education, in the service of an education entity who are members or  
18 are or will be eligible to become members of the Teachers'  
19 Retirement System of Oklahoma and who receive compensation for such  
20 service after the education entity begins to participate in the  
21 Oklahoma Employees Insurance and Benefits Act and visiting faculty  
22 who are not eligible for membership in the Teachers' Retirement  
23 System of Oklahoma;

1           5. "Adjunct professor" means a person employed by an  
2 institution of higher education who is attached in a subordinate or  
3 temporary capacity to the faculty or staff, and who is contracted to  
4 instruct in a given specific discipline;

5           6. "Visiting faculty" means a person employed by an institution  
6 of higher education who is not eligible for academic rank or tenure,  
7 other than an adjunct professor, and who is contracted to instruct  
8 in a given specific discipline generally not to exceed one (1)  
9 academic year;

10          7. "Education entity" means a school district, a technology  
11 center school district, or an institution comprising The Oklahoma  
12 State System of Higher Education;

13          8. "State employee" means and includes each officer or employee  
14 in the service of the State of Oklahoma who, after January 1, 1966,  
15 received compensation for service rendered to the State of Oklahoma  
16 on a warrant issued pursuant to a payroll certified by a department  
17 or by an elected or duly appointed officer of the state or who  
18 receives payment for the performance of personal services on a  
19 warrant issued pursuant to a payroll certified by a department and  
20 drawn by the State Treasurer against appropriations made by the  
21 Legislature from any state fund or against trust funds held by the  
22 State Treasurer, who is employed in a position normally requiring  
23 actual performance of duty during not less than one thousand (1,000)  
24 hours per year, and whose employment is not seasonal or temporary,

1 except that a person elected by popular vote will be considered an  
2 employee during the person's tenure in office; provided, however,  
3 that employees who are otherwise eligible who are on approved leave  
4 without pay shall be eligible to continue coverage during such leave  
5 not to exceed twenty-four (24) months, as provided and published in  
6 the Office of Management and Enterprise Services Rules for  
7 Employment, from the date the employee goes on such leave provided  
8 the employee pays the full premiums due or persons who are drawing  
9 disability benefits under the State Employees Disability Program Act  
10 or meet each and every requirement of the State Employees Disability  
11 Program shall be eligible to continue coverage provided the person  
12 pays the full premiums due;

13 9. "Carrier" means the State of Oklahoma or a state designated  
14 Health Maintenance Organization (HMO). Such HMO shall be a  
15 federally qualified Health Maintenance Organization under 42 U.S.C.,  
16 Section 300e et seq.;

17 10. "Health insurance plan" means a self-insured plan by the  
18 State of Oklahoma for the purpose of paying the cost of hospital and  
19 medical care up to the maximum coverage provided by said plan or  
20 prepaid medical plan(s) offered to employees as an alternative to  
21 the state-administered plan by federally qualified HMOs which have  
22 contracted with the state;



1 11. "Life insurance plan" means a self-insured plan for the  
2 purpose of paying death and dismemberment benefits up to the maximum  
3 coverage provided by the plan;

4 12. "Dental benefits plan" means a plan by the State of  
5 Oklahoma for the purpose of paying the cost of dental care up to the  
6 maximum coverage provided by the plan; whenever the term "dental  
7 insurance plan" or a term of like import appears in the Oklahoma  
8 Employees Insurance and Benefits Act, the term shall mean "dental  
9 benefits plan";

10 13. "Other insurance" means any type of coverage other than  
11 basic hospital and medical benefits, major medical benefits,  
12 comprehensive benefits, life insurance benefits or dental insurance  
13 benefits, which the Plan may be directed to offer;

14 14. "Dependent" means an employee's spouse or any unmarried  
15 child:

16 a. under the age of twenty-five (25) years, regardless of  
17 residence, provided that the employee is primarily  
18 responsible for their support, including:

19 (1) an adopted child, and

20 (2) a stepchild or child who lives with the employee  
21 in a regular parent-child relationship, or

22 b. regardless of age who is incapable of self-support  
23 because of mental or physical incapacity that existed  
24 prior to reaching the age of twenty-five (25) years;

1           15. "Comprehensive benefits" means benefits which reimburse the  
2 expense of hospital room and board, other hospital services, certain  
3 outpatient expenses, maternity benefits, surgical expense, including  
4 obstetrical care, in-hospital medical care expense, diagnostic  
5 radiological and laboratory benefits, physicians' services provided  
6 by house and office calls, treatments administered in physicians'  
7 office, prescription drugs, psychiatric services, Christian Science  
8 practitioners' services, Christian Science nurses' services,  
9 optometric medical services for injury or illness of the eye, home  
10 health care, home nursing service, hospice care, and such other  
11 benefits as may be determined by the Board. Such benefits shall be  
12 provided on a copayment or coinsurance basis, the insured to pay a  
13 proportion of the cost of such benefits, and may be subject to a  
14 deductible that applies to all or part of the benefits as determined  
15 by the Board; and

16           16. "Life insurance coverage" shall include a maximum amount of  
17 basic life insurance or benefit with or without a double indemnity  
18 provision and an amount of accidental death and dismemberment  
19 insurance or benefit per employee to be provided by the State of  
20 Oklahoma, and the employee shall have the option to purchase  
21 additional life insurance or benefits on the employee's life up to  
22 the amount provided by the plan. Such basic life insurance  
23 benefits, with or without double indemnity, and accidental death and  
24 dismemberment benefits shall not exclude coverage for death or

1 dismemberment resulting from war, insurrection or riot. The Board  
2 may also extend dependent life insurance in an amount to be  
3 determined by the Board to each insured employee who elects to  
4 insure the employee's eligible dependents. Premiums for the  
5 dependent life insurance shall be paid wholly by the employee.

6 SECTION 3. AMENDATORY 74 O.S. 2021, Section 1308.3, is  
7 amended to read as follows:

8 Section 1308.3. Any ~~active~~ employee, as defined pursuant to  
9 Section 2 of this act, who is active and eligible to participate or  
10 who is a participant may opt out of the state's basic plan as  
11 outlined in Sections 1370 and 1371 of this title, or may opt out of  
12 the health and dental basic plan options only and retain the life  
13 and disability plan benefits, provided that the participant is  
14 currently covered by a separate group health insurance plan or will  
15 be covered by a separate group health insurance plan at or before  
16 the beginning of the next plan year. Any active employee eligible  
17 to participate or who is a participant opting out of coverage  
18 pursuant to this section shall provide proof of ~~the~~ coverage under a  
19 separate health insurance plan ~~participation~~ and sign an affidavit  
20 attesting that the participant is currently covered and does not  
21 require state-provided health insurance each plan year. Any active  
22 employee opting out of the state's basic plan or the health and  
23 dental basic plan options pursuant to this section shall receive One  
24 Hundred Fifty Dollars (\$150.00) in lieu of the flexible benefit

1 amount the employee would be otherwise eligible to receive. Any  
2 savings realized by the state as a result of a participant opting  
3 out of health insurance plan coverage shall be retained by the  
4 state. For the fiscal year ending June 30, 2023, and each fiscal  
5 year thereafter any active employee opting out of the state's basic  
6 plan or the health and dental basic plan options pursuant to this  
7 section shall receive Three Hundred Dollars (\$300.00) per month.

8 SECTION 4. This act shall become effective July 1, 2022.

9 SECTION 5. It being immediately necessary for the preservation  
10 of the public peace, health or safety, an emergency is hereby  
11 declared to exist, by reason whereof this act shall take effect and  
12 be in full force from and after its passage and approval.

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