

1 STATE OF OKLAHOMA

2 2nd Session of the 57th Legislature (2020)

3 SENATE BILL 1701

By: Brooks

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5  
6 AS INTRODUCED

7 An Act relating to public employees; amending 74 O.S.  
8 2011, Section 1316.2, as last amended by Section 3,  
9 Chapter 419, O.S.L. 2014 (74 O.S. Supp. 2019, Section  
10 1316.2), which relates to continuance of health and  
11 dental insurance benefits; authorizing certain  
12 retired members to annually opt-in or opt-out of  
13 specified benefits; and providing an effective date.

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

15 SECTION 1. AMENDATORY 74 O.S. 2011, Section 1316.2, as  
16 last amended by Section 3, Chapter 419, O.S.L. 2014 (74 O.S. Supp.  
17 2019, Section 1316.2), is amended to read as follows:

18 Section 1316.2. A. Any employee, other than an education  
19 employee as defined in paragraph 4 of Section 1303 of this title,  
20 who retires pursuant to the provisions of the Oklahoma Public  
21 Employees Retirement System or who has a vested benefit pursuant to  
22 the provisions of the Oklahoma Public Employees Retirement System  
23 may annually continue in force or opt-out of the health and dental  
24 insurance benefits authorized by the provisions of the Oklahoma  
25 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 and subsection H of this~~  
6 ~~section, health Health and dental insurance coverage may not be~~  
7 ~~reinstated at a later time~~ during the next enrollment period if the  
8 initial election to continue in force is declined or if the retired  
9 member opted out during a previous enrollment period. Vested  
10 employees other than education employees who have terminated service  
11 and are not receiving benefits and effective July 1, 1996, nonvested  
12 persons who have terminated service with more than eight (8) years  
13 of participating service with a participating employer, who within  
14 thirty (30) days from the date of termination of service elect to  
15 continue such coverage, shall pay the full cost of the insurance  
16 premium at the rate and pursuant to the terms and conditions  
17 established by the Office. Provided also, any employee other than  
18 an education employee who commences employment with a participating  
19 employer on or after September 1, 1991, who terminates service with  
20 such employer on or after July 1, 1996, but who otherwise has  
21 insufficient years of service to retire or terminate service with a  
22 vested benefit pursuant to the provisions of the Oklahoma Public  
23 Employees Retirement System or to elect to continue coverage as a  
24 nonvested employee as provided in this section, but who, immediately

1 prior to employment with the participating employer, was covered as  
2 a dependent on the health and dental insurance policy of a spouse  
3 who was an active employee other than an education employee, may  
4 count as part of his or her credited service for the purpose of  
5 determining eligibility to elect to continue coverage under this  
6 section, the time during which the terminating employee was covered  
7 as such a dependent.

8 B. 1. Health insurance benefit plans offered pursuant to this  
9 section shall include:

- 10 a. indemnity plans offered through the Office,
- 11 b. managed care plans offered as alternatives to the  
12 indemnity plans offered through the Office,
- 13 c. Medicare supplements offered pursuant to the Oklahoma  
14 Employees Insurance and Benefits Act,
- 15 d. Medicare risk-sharing contracts offered as  
16 alternatives to the Medicare supplements offered  
17 through the Office. All Medicare risk-sharing  
18 contracts shall be subject to a risk adjustment  
19 factor, based on generally accepted actuarial  
20 principles for adverse selection which may occur, and  
21 e. for the Oklahoma Public Employee Retirement System,  
22 other employer-provided health insurance benefit plans  
23 if the employer does not participate in the plans  
24

1           offered pursuant to the Oklahoma Employees Insurance  
2           and Benefits Act.

3           2. Health insurance benefit plans offered pursuant to this  
4 section shall provide prescription drug benefits, except for plans  
5 designed pursuant to the Medicare Prescription Drug Improvement and  
6 Modernization Act of 2003, for which provision of prescription drug  
7 benefits is optional, and except for plans offered pursuant to  
8 subparagraph e of paragraph 1 of this subsection.

9           C. 1. Designated public retirement systems shall contribute a  
10 monthly amount towards the health insurance premium of certain  
11 individuals receiving benefits from the public retirement system as  
12 follows:

13           a. a retired employee, other than an education employee  
14 or an employee who participates in the defined  
15 contribution system administered by the Oklahoma  
16 Public Employees Retirement System on or after  
17 November 1, 2015, who is receiving benefits from the  
18 Oklahoma Public Employees Retirement System after  
19 September 30, 1988, shall have One Hundred Five  
20 Dollars (\$105.00), or the premium rate of the health  
21 insurance benefit plan, whichever is less, paid by the  
22 Oklahoma Public Employees Retirement System to the  
23 Board or other insurance carrier of the employer if  
24 the employer does not participate in the plans offered

1 by the Office in the manner specified in subsection G  
2 of this section,

3 b. a retired employee or surviving spouse other than an  
4 education employee who is receiving benefits from the  
5 Oklahoma Law Enforcement Retirement System after  
6 September 30, 1988, is under sixty-five (65) years of  
7 age and is not otherwise eligible for Medicare shall  
8 have the premium rate for the health insurance benefit  
9 plan or One Hundred Five Dollars (\$105.00), whichever  
10 is less, paid by the Oklahoma Law Enforcement  
11 Retirement System to the Office in the manner  
12 specified in subsection G of this section,

13 c. a retired employee other than an education employee  
14 who is receiving benefits from the Oklahoma Law  
15 Enforcement Retirement System after September 30,  
16 1988, is sixty-five (65) years of age or older or who  
17 is under sixty-five (65) years of age and is eligible  
18 for Medicare shall have One Hundred Five Dollars  
19 (\$105.00), or the premium rate of the health insurance  
20 benefit plan, whichever is less, paid by the Oklahoma  
21 Law Enforcement Retirement System to the Office in the  
22 manner specified in subsection G of this section, and

23 d. a retired employee other than an education employee  
24 who is receiving benefits from the Uniform Retirement  
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1 System for Justices and Judges after September 30,  
2 1988, shall have One Hundred Five Dollars (\$105.00),  
3 or the premium rate of the health insurance plan,  
4 whichever is less, paid by the Uniform Retirement  
5 System for Justices and Judges to the Office in the  
6 manner specified in subsection G of this section.

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

- 9 a. the health plan shall be authorized by the provisions  
10 of the Oklahoma Employees Insurance and Benefits Act,  
11 except that if an employer from which an employee  
12 retired or with a vested benefit pursuant to the  
13 provisions of the Oklahoma Public Employees Retirement  
14 System does not participate in the plans authorized by  
15 the provisions of the Oklahoma Employees Insurance and  
16 Benefits Act, the health plan will be the health  
17 insurance benefits of the employer from which the  
18 individual retired or vested,
- 19 b. for plans offered by the Oklahoma Employees Insurance  
20 and Benefits Act, the amount to be paid shall be  
21 determined pursuant to the provisions of this  
22 subsection and shall first be applied in whole or in  
23 part to the prescription drug coverage premium. Any  
24

1 remaining amount shall be applied toward the medical  
2 coverage premium,

3 c. for all plans, if the amount paid by the public  
4 retirement system does not cover the full cost of the  
5 elected coverage, the individual shall pay the  
6 remaining premium amount, and

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

9 D. For any member of the Oklahoma Law Enforcement Retirement  
10 System killed in the line of duty, whether the member was killed in  
11 the line of duty prior to May 18, 2005, or on or after May 18, 2005,  
12 or if the member was on a disability leave status at the time of  
13 death, the surviving spouse or dependents of such deceased member of  
14 the Oklahoma Law Enforcement Retirement System may elect to continue  
15 or commence health and dental insurance benefits, provided the  
16 dependents pay the full cost of such insurance, and for deaths  
17 occurring on or after July 1, 2002, such election is made within  
18 thirty (30) days of the date of death. The eligibility for the  
19 benefits shall terminate for the surviving children when the  
20 children cease to qualify as dependents.

21 E. Effective July 1, 2004, a retired member of the Oklahoma Law  
22 Enforcement Retirement System who retired from the System by means  
23 of a personal and traumatic injury of a catastrophic nature and in  
24 the line of duty and any surviving spouse of such retired member and

1 any surviving spouse of a member who was killed in the line of duty  
2 shall have one hundred percent (100%) of the retired member's or  
3 surviving spouse's health care premium cost, whether the member or  
4 surviving spouse elects coverage under the Medicare supplement or  
5 Medicare risk-sharing contract, paid by the Oklahoma Law Enforcement  
6 Retirement System to the Office in the manner specified in  
7 subsection H of this section. For plans offered by the Office, such  
8 contributions will first be applied in whole or in part to the  
9 prescription drug coverage premium, if any.

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

22 G. The amounts required to be paid by the Oklahoma Public  
23 Employees Retirement System, the Uniform Retirement System for  
24 Justices and Judges and the Oklahoma Law Enforcement Retirement



1 System pursuant to this section shall be forwarded no later than the  
2 tenth day of each month following the month for which payment is due  
3 by the Oklahoma Public Employees Retirement System Board of Trustees  
4 or the Oklahoma Law Enforcement Retirement Board to the Office for  
5 deposit in the Health, Dental and Life Insurance Reserve Fund or to  
6 another insurance carrier as provided for in subsection H of Section  
7 1315 of this title.

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

1 the premium for elected benefits less any amounts paid by a state  
2 retirement system pursuant to this section.

3 SECTION 2. This act shall become effective November 1, 2020.  
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