



Oklahoma State Senate

Legislative Brief

August 1999

Senate Employees Benefit Legislation of Interest

I. Pay

SB 183 - Annualized Salary Increase

Summary of Action

Effective July 1, 1999, all full-time and part-time state officers and employees, with some exceptions, employed as of June 30, 1999 shall receive a 2% annualized salary increase up to a maximum of One Thousand Dollars (\$1,000) and at least Six Hundred Dollars (\$600).

II. Personnel Legislation

SB 505 - Travel Reimbursement

Summary of Action

Allows a state officer or employee to receive any travel reimbursements that he or she may be entitled to through direct deposit if the officer or employee is receiving his or her payroll claims pursuant to the Oklahoma State Employees' Direct Deposit Act.

III. Retirement

SB 295 - Additional Retirement Contributions (State)

Issue Background

During the 1998 Legislative Session the Legislature provided for the return of certain additional retirement contributions made by some members of the Oklahoma Public Employees Retirement System (SB 1032 and HB 2695). These contributions were made from July 20, 1987 through June 30, 1994. The 1998 legislation did not provide for any assumed earnings on the money to be refunded.

Summary of Action

Amends the legislation from last year (SB 1032 and HB 2695). SB 295 allows those eligible persons who made the additional contributions to receive assumed earnings based upon a seven and one-half percent (7.5%) compounded rate of return on the additional retirement contributions that were made. It transfers the additional retirement contributions and the assumed earnings to the member's account in the Oklahoma State Employees Deferred Savings Incentive Plan upon approval by the Internal Revenue Service. The compounding shall continue until the date of the transfer.

IV. Health Care

SB 373 - Point of Service Plans

Issue Background

The availability of Point of Service Plans to employees addresses two important issues.

The first issue is increased access to physicians and services. In some rural areas of the state, doctors have historically not joined traditional Health Maintenance Organizations. A Point of Service Plan gives the participant the option to go outside the normal HMO network to access physicians.

The second issue pertains to a participant's ability to self-refer outside the HMO network when specialty care or a second opinion is desired by the participant. Self-referral gives the participant more input into his or her care.

Summary of Action

Effective July 1, 1999, Health Maintenance Organizations that contract with the Oklahoma State Employees Benefits Council and the State and Education Employees Group Insurance Board may offer a Point of Service Plan.

HB 1140 - Leave without Pay and Insurance

Summary of Action

Provides that state employees on leave without pay shall receive their basic plan insurance coverage and dependent insurance benefit allowance paid by the agency during leave without pay.

HB 1458 - Spousal Coverage Election

Issue Background

A member participating in a plan offered by the State and Education Employees Group Insurance Board may elect to cover his or her dependents. Prior to HB 1458, when one eligible dependent was covered, all eligible dependents had to be covered with one exception: spouse or dependent could elect not to be covered if he or she were covered by other verifiable group health, dental or life insurance coverage, or for religious beliefs.

Summary of Action

Effective July 1, 1999, new enrollees covered by the Health Insurance Plan, Health Maintenance Organization plans, or the Dental Insurance Plan approved by the State and Education Employees Group Insurance Board may choose to cover all dependent children and not cover his or her spouse regardless of the spouse's coverage status. A change to coverage will still have to be made at the next enrollment period or upon a qualifying event. The employee and spouse shall sign an affidavit if not electing to cover the spouse.

HB 1588 - Plan Year Changes

Issue Background

Prior to this law, the Plan Year for the Oklahoma State Employees Benefits Council and the State and Education Employees Group Insurance Board began July 1 of each year and ended the following June 30. The Enrollment Period for members expires typically in April of each year and the Legislative Session ends the last Friday of May. Therefore, by ending the Enrollment Period prior to the Legislative Session, enrollees could not make informed health care choices without knowing what changes were made to applicable laws during the Legislative Session.

Summary of Action

The Plan Year for the Oklahoma State Employees Benefits Council and the State and Education Employees Group Insurance Board shall be changed to begin January 1 of each year beginning in the year 2002.

HB 1571 and 1588 - Dependent Benefit Allowance

Summary of Action

HB 1588 states that the dependent benefit allowance for state employees shall equal one-half (1/2) of the average price of all benefit plans available for each dependent category. HB 1571 was signed after HB 1588 and reads that the dependent benefit allowance shall be one-half (1/2) of the average price of all high option benefit plans available for each dependent category. This act shall take effect July 1, 1999.

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