

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

HOUSE BILL 3529

By: Ranson

AS INTRODUCED

An Act relating to retirement; amending 74 O.S. 1316.3, which relates to the Teachers' Retirement System; modifying benefit; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 74 O.S. 2021, Section 1316.3, is amended to read as follows:

Section 1316.3 A. Any person who retires pursuant to the provisions of the Teachers' Retirement System of Oklahoma with at least ten (10) years of creditable service or who has a vested benefit with at least ten (10) years of creditable service, pursuant to the provisions of the Teachers' Retirement System of Oklahoma may continue in force the health and dental insurance benefits authorized by the provisions of the Oklahoma Employees Insurance and Benefits Act if such election to continue in force or begin is made within thirty (30) days from the date of termination of service.

Except as provided in subsection E of Sections 5-117.5 and 14-108.1 of Title 70 of the Oklahoma Statutes and Section 840-2.27I of this

1 title and subsection K of this section, health and dental insurance  
2 coverage may not be reinstated at a later time if the election to  
3 continue in force or begin coverage is declined. Vested persons who  
4 have terminated service and are not receiving benefits and effective  
5 July 1, 1996, nonvested persons who have terminated service with  
6 more than ten (10) years of participating service with a qualifying  
7 employer, who within thirty (30) days from the date of termination  
8 of service, elect to continue such coverage, shall pay the full cost  
9 of said insurance premium at the rate and pursuant to the terms and  
10 conditions established by the Office of Management and Enterprise  
11 Services.

12 B. 1. Health insurance benefit plans offered pursuant to this  
13 section shall include:

- 14 a. indemnity plans offered through the Office,
- 15 b. managed care plans offered as alternatives to the  
16 indemnity plans,
- 17 c. Medicare supplements offered through the Office,
- 18 d. Medicare risk-sharing contracts offered as  
19 alternatives to the Medicare supplements offered  
20 through the Office, and
- 21 e. any other employer-provided health insurance benefit  
22 plans if the employer does not participate in the  
23 plans offered pursuant to the Oklahoma Employees  
24 Insurance and Benefits Act.

1           2. Health insurance benefit plans offered pursuant to this  
2 section shall provide prescription drug benefits, except for plans  
3 designed pursuant to the Medicare Prescription Drug Improvement and  
4 Modernization Act of 2003, which may or may not contain prescription  
5 drug benefits, for which provision of prescription drug benefits is  
6 optional, and except for plans offered pursuant to subparagraph e of  
7 paragraph 1 of this subsection.

8           C. A retired person who:

9           1. Is receiving benefits from the Teachers' Retirement System  
10 of Oklahoma after September 30, 1988, is under sixty-five (65) years  
11 of age and is not otherwise eligible for Medicare and pursuant to  
12 subsection A of this section elects to begin or to continue the  
13 health insurance plan;

14           2. Is receiving benefits from the Teachers' Retirement System  
15 of Oklahoma after June 30, 1993, is under sixty-five (65) years of  
16 age and is not otherwise eligible for Medicare and participates in a  
17 health insurance plan provided by a participating education employer  
18 of the Teachers' Retirement System of Oklahoma other than a health  
19 insurance plan offered pursuant to the Oklahoma Employees Insurance  
20 and Benefits Act or an alternative health plan offered pursuant to  
21 the Oklahoma State Employees Benefits Act;

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

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

22 D. The Teachers' Retirement System shall pay the amount due  
23 pursuant to the provisions of subsection C of this section as  
24 follows:  
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1 1. For those individuals participating in plans provided  
 2 through the Oklahoma Employees Insurance and Benefits Act, payment  
 3 shall be made to the Office pursuant to the provisions of subsection  
 4 I of this section; or

5 2. For those individuals participating in plans provided  
 6 through a participating education employer of the Teachers'  
 7 Retirement System of Oklahoma other than a health insurance plan  
 8 offered pursuant to the Oklahoma Employees Insurance and Benefits  
 9 Act, payment shall be made to the education employer.

10 E. Beginning July 1, ~~2000~~ 2024, the maximum benefit payable by  
 11 the Teachers' Retirement System of Oklahoma on behalf of a retired  
 12 person toward said person's monthly premium for health insurance  
 13 shall be ~~determined in accordance with the following schedule:~~

	<del>LESS THAN</del>	<del>25 YEARS BUT</del>	<del>GREATER</del>
	<del>LESS THAN</del>	<del>GREATER THAN</del>	<del>THAN 24.99</del>
<del>AVERAGE SALARY</del>	<del>15 YEARS OF</del>	<del>14.99 YEARS OF</del>	<del>YEARS OF</del>
<del>USED FOR DETERMINING</del>	<del>CREDITABLE</del>	<del>CREDITABLE</del>	<del>CREDITABLE</del>
<del>RETIREMENT ALLOWANCE</del>	<del>SERVICE</del>	<del>SERVICE</del>	<del>SERVICE</del>
<del>Less than \$20,000.00</del>	<del>\$103.00</del>	<del>\$104.00</del>	<del>\$105.00</del>
<del>Less than \$30,000.00 but</del>			
<del>greater than \$19,999.99</del>	<del>\$102.00</del>	<del>\$103.00</del>	<del>\$104.00</del>
<del>Less than \$40,000.00 but</del>			
<del>greater than \$29,999.99</del>	<del>\$101.00</del>	<del>\$102.00</del>	<del>\$103.00</del>

1 ~~\$40,000.00 or greater~~                      ~~\$100.00~~                      ~~\$101.00~~                      ~~\$102.00~~

2        ~~For plans offered by the Office, the amount paid pursuant to~~  
 3 ~~this subsection shall first be applied to the prescription drug~~  
 4 ~~coverage premium, if any. Any remaining amounts shall be applied~~  
 5 ~~towards the medical coverage premium~~ equal to the Medicare rate  
 6 determined pursuant to Title XVIII of the Social Security Act.

7        F. If a person retires and begins to receive benefits from the  
 8 Teachers' Retirement System of Oklahoma or terminates service and  
 9 has a vested benefit with the Teachers' Retirement System of  
 10 Oklahoma, the person may elect, in the manner provided in subsection  
 11 A of this section, to participate in the dental insurance plan  
 12 offered through the Oklahoma Employees Insurance and Benefits Act.  
 13 The person shall pay the full cost of the dental insurance.

14        G. Those persons who are receiving benefits from the Teachers'  
 15 Retirement System of Oklahoma and have health insurance coverage  
 16 which on the operative date of this section is being paid by the  
 17 education entity from which the person retired shall make the  
 18 election required in subsection A of this section within thirty (30)  
 19 days of the termination of said health insurance coverage. The  
 20 person making the election shall give the Office certified  
 21 documentation satisfactory to the Office of the termination date of  
 22 the other health insurance coverage.

23        H. Dependents of a deceased education employee who was on  
 24 active work status or on a disability leave at the time of death or  
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1 of a participating retirant or of any person who has elected to  
2 receive a vested benefit under the Teachers' Retirement System of  
3 Oklahoma may continue the health and dental insurance benefits in  
4 force provided said dependents pay the full cost of such insurance  
5 and they were covered as eligible dependents at the time of such  
6 death and such election is made within thirty (30) days of date of  
7 death. The eligibility for said benefits shall terminate for the  
8 surviving children when said children cease to qualify as  
9 dependents.

10 I. The amounts required to be paid by the Teachers' Retirement  
11 System of Oklahoma pursuant to this section shall be forwarded no  
12 later than the tenth day of each month following the month for which  
13 payment is due by the Board of Trustees of the Teachers' Retirement  
14 System of Oklahoma to the Office for deposit in the Education  
15 Employees Group Insurance Reserve Fund.

16 J. The Teachers' Retirement System of Oklahoma shall provide  
17 the Office information concerning the employers of retired and  
18 vested members necessary to allow the Office to track eligibility  
19 for continued coverage.

20 K. Upon retirement from employment with the Board of Regents of  
21 the University of Oklahoma, any person who is or was employed at the  
22 George Nigh Rehabilitation Institute and who transferred employment  
23 pursuant to Section 3427 of Title 70 of the Oklahoma Statutes, any  
24 person who was employed at the Medical Technology and Research  
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1 Authority and who transferred employment pursuant to Section 7068 of  
2 this title, and any person who is a member of the Oklahoma Law  
3 Enforcement Retirement System pursuant to the authority of Section  
4 2-314 of Title 47 of the Oklahoma Statutes may participate in the  
5 benefits authorized by the provisions of the Oklahoma Employees  
6 Insurance and Benefits Act for retired participants, including  
7 health, dental and life insurance benefits, if such election to  
8 participate is made within thirty (30) days from the date of  
9 termination of employment. Life insurance benefits for any such  
10 person who transferred employment shall not exceed the coverage the  
11 person had at the time of such transfer. Retirees who are persons  
12 transferred employment and who participate pursuant to this  
13 paragraph shall pay the premium for elected benefits less any  
14 amounts paid by the retirement system pursuant to this section.

15 SECTION 2. This act shall become effective July 1, 2024.

16 SECTION 3. It being immediately necessary for the preservation  
17 of the public peace, health or safety, an emergency is hereby  
18 declared to exist, by reason whereof this act shall take effect and  
19 be in full force from and after its passage and approval.  
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21 59-2-9558 CMA 01/04/24  
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**THOMAS E. CUMMINS CONSULTING ACTUARY, INC.**

2512 E. 71<sup>st</sup> Street , Suite D • Tulsa, Oklahoma 74136  
(918) 492-9658 • (918) 492- 9659

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January 16, 2024

Representative Ranson  
Room 502.2

Re: RBH No. 9558

RBH No.9558 would tie the Medical Supplement benefit paid OTRS retirees to the Medicare rate currently \$505 per month. Currently the amount ranges from \$101 to \$105 per month depending service and average salary.

RBH No. 9558 is a fiscal bill as defined by OPLAAA.

I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

*Thomas E. Cummins*

Thomas E. Cummins, MAAA