

**TITLE 260. OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES
CHAPTER 40. EMPLOYEE BENEFITS DEPARTMENT**

RULEMAKING ACTION:

PERMANENT final adoption

RULES:

Subchapter 25. Dependent Care Reimbursement Account Option

260:40-25-2. Definitions [AMENDED]

Subchapter 27. Health Care Reimbursement Account Option

260:40-27-2. Definitions [AMENDED]

AUTHORITY:

The Office of Management and Enterprise Services; 74 O.S. Section 1366; The Director of the Office of Management and Enterprise Services; 62 O.S. Section 34.6(8)

SUBMISSION OF PROPOSED RULES TO GOVERNOR AND CABINET

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n/a

INCORPORATIONS BY REFERENCE:

n/a

GIST/ ANALYSIS:

These rules amend the plan document for the State Employees Flexible Benefit Plan. The Consolidated Appropriations Act of 2021 allows certain plan amendments for health flexible spending arrangements and dependent care flexible spending arrangements. The rules extend the grace period for both the health flexible spending arrangement and the dependent care flexible spending arrangement for Plan Year 2020 and Plan Year 2021.

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PURSUANT TO THE ACTIONS DESCRIBED HEREIN, THE FOLLOWING RULES ARE CONSIDERED FINALLY ADOPTED AS SET FORTH IN 75 O.S., SECTIONS 250.3(5) AND 308(E), WITH AN EFFECTIVE DATE OF: SEPTEMBER 11, 2022

SUBCHAPTER 25. DEPENDENT CARE REIMBURSEMENT ACCOUNT OPTION

260:40-25-2. Definitions

The following words and terms, when used in this subchapter, shall have the following meaning, unless the context clearly indicates otherwise:

"Dependent" means any individual who is:

(A) A dependent of the participant who is under the age of 13 with respect to whom the participant is entitled to an exemption under Section 15(c) of the Internal Revenue Code or, is otherwise, a qualifying individual as provided in Section 21(d)(2) of the Internal Revenue Code, or

(B) A dependent or spouse of the participant who is physically or mentally incapable of caring for himself or herself.

"Dependent care expenses" means expenses incurred by a participant which are incurred for the care of a dependent of the participant or for related household services, and are eligible expenses as allowed under and defined in the prevailing Internal Revenue Code and rules promulgated thereunder and as allowed by the Plan Administrator.

"Dependent care reimbursement account" means the bookkeeping account maintained by the Plan Administrator used for crediting contributions and accounting for benefit payments.

"Eligible period of coverage" means that time period in which the participant contributes to the dependent care reimbursement account and that the participant is on an active pay status.

"Grace Period" means the period from the end of the Plan Year through March 15th of the subsequent Plan Year during which reimbursable expenses can be incurred and attributable to the previous Plan Year's account balance. For the Plan Year effective January 1, 2020, the grace period will be extended for twelve months (12) after the end of that Plan Year. For the Plan Year effective January 1, 2021, the grace period will be extended for twelve (12) months after the end of that Plan Year.

"Run Out Period" means the ninety (90) day period following a Plan Year in which claims can be made for reimbursable expenses incurred during the Plan Year.

SUBCHAPTER 27. HEALTH CARE REIMBURSEMENT ACCOUNT OPTION

260:40-27-2. Definitions

The following words and terms, when used in this subchapter, shall have the following meaning, unless the context clearly indicates otherwise:

"Dependent" means an individual, who qualifies as a dependent under Section 125 of the Internal Revenue Code, taking into account Section 105(b) of the Internal Revenue Code.

"Health care reimbursement account" means the bookkeeping account maintained by the Plan Administrator used for crediting contributions and accounting for benefit payments.

"Medical care expenses" means any expenses incurred by a participant or by a spouse or dependent of such participant for medical care as described in Section 213 of the Internal Revenue Code and subject to the limitations of section 125 and this Flexible Benefits Plan, but only to the extent that the participant or other person incurring the expense is not reimbursed for the expense through insurance or otherwise.

"Grace Period" means the period from the end of the Plan Year through March 15th of the subsequent Plan Year during which reimbursable expenses can be incurred and attributable to the previous Plan Year's account balance. For the Plan Year effective January 1, 2020, the grace period will be extended for twelve months (12) after the end of that Plan Year. For the Plan Year effective January 1, 2021, the grace period will be extended for twelve (12) months after the end of that Plan Year.

"Rollover Distributions" means distributions to a Health Savings Account of balances remaining at year end for employees who qualify pursuant to State and federal law.

"Run-Out Period" means the ninety (90) day period following a Plan Year in which claims can be made for reimbursable expenses incurred during the Plan Year.