

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 SENATE BILL 41

By: McCortney

4
5 AS INTRODUCED

6 An Act relating to payroll deductions; amending 62
7 O.S. 2011, Section 34.70, as amended by Section 393,
8 Chapter 304, O.S.L. 2012 (62 O.S. Supp. 2020, Section
9 34.70), which relates to voluntary deductions;
10 removing requirements for payroll deductions on
private insurance organizations and service
11 companies; modifying type of service company eligible
for premium payments pursuant to payroll deductions;
and providing an effective date.

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

13 SECTION 1. AMENDATORY 62 O.S. 2011, Section 34.70, as
14 amended by Section 393, Chapter 304, O.S.L. 2012 (62 O.S. Supp.
15 2020, Section 34.70), is amended to read as follows:

16 Section 34.70. A. 1. Upon the request of a state employee, a
17 state agency shall make voluntary payroll deductions for the
18 employee to any credit union, bank, or savings association having an
19 office in this state.

20 2. If the governing body of any county, municipality, or school
21 district provides for voluntary payroll deductions to a credit union
22 serving the employees of the county, municipality, or school
23 district, it shall provide voluntary payroll deductions to any
24 credit union, bank, or savings association having an office in this

1 state which has a minimum participation of twenty percent (20%) of
2 the employees of the county, municipality, or school district.

3 B. Upon the request of a state employee and pursuant to
4 procedures established by the Director of the Office of Management
5 and Enterprise Services, a state agency shall make payroll
6 deductions for:

7 1. The payment of any insurance premiums due a private
8 insurance organization with a minimum participation of five hundred
9 (500) state employees for life, accident, and health insurance which
10 is supplemental to that provided for by the state;

11 2. The payment of any insurance premiums, other than the
12 premiums due pursuant to paragraph 1 of this subsection, due a
13 private insurance organization or service company ~~which is regulated~~
14 ~~by the State Insurance Commissioner and with a minimum participation~~
15 ~~of five hundred (500) state employees~~ for legal services;

16 3. Premiums or payments for retirement plans with a minimum
17 participation of five hundred (500) state employees for retirement
18 plans which are supplemental to that provided for by the state;

19 4. Salary adjustment agreements included in a flexible benefits
20 plan as authorized by the State Employees Flexible Benefits Act;

21 5. Membership dues utilized for benefits, goods or services
22 provided by the Oklahoma Public Employees Association to the
23 organization's membership or any other statewide association limited
24 to state employee membership with a minimum membership of two

1 thousand (2,000) dues-paying members. For purposes of this
2 paragraph, state agencies shall accept online or electronically
3 submitted forms from the Oklahoma Public Employees Association and
4 other state employee associations. The Office of Management and
5 Enterprise Services shall develop and implement a verification
6 process for online or electronically submitted forms which may
7 include the use of electronic signature technology or other process
8 as determined appropriate;

9 6. Contributions to any foundation organized pursuant to 26
10 U.S.C., Section 501(c)(3) of the Oklahoma Public Employees
11 Association or any other statewide association limited to state
12 employee membership with a minimum membership of two thousand
13 (2,000) dues-paying members;

14 7. Payments to a college savings account administered under the
15 Oklahoma College Savings Plan Act pursuant to Section 3970.1 et seq.
16 of Title 70 of the Oklahoma Statutes;

17 8. Subscriptions to the Oklahoma Today magazine published by
18 the State of Oklahoma through the Oklahoma Tourism and Recreation
19 Department; and

20 9. The payment of any insurance premiums due a private
21 insurance organization, which is regulated by the State Insurance
22 Commission, for an Oklahoma Long-Term Care Partnership Program
23 approved policy pursuant to the Oklahoma Long-Term Care Partnership
24 Act.

1 C. The administrative costs of processing payroll deductions or
2 administering salary adjustment agreements for insurance premiums as
3 provided for in subsection B of this section shall be a charge of
4 two percent (2%) of the gross annual premiums for insurance plans.
5 The administrative costs of processing payroll deductions or
6 administering salary adjustment agreements for payments for
7 retirement plans as provided for in subsection B of this section
8 shall be one percent (1%) of the gross annual payments for
9 retirement plans. These charges shall be collected monthly from the
10 private insurance or retirement plan organization by the Office of
11 Management and Enterprise Services and shall be deposited to the
12 credit of the General Revenue Fund. Provided that these costs shall
13 not be collected from state employees or state agencies unless
14 otherwise directed in the Oklahoma State Finance Act.

15 D. Any statewide association granted a payroll deduction prior
16 to January 1, 2008, shall be exempt from the minimum state employee
17 membership requirement.

18 E. Approval of a payroll deduction or salary adjustment
19 agreement for any insurance organization, line of coverage or policy
20 shall not be construed as an assumption of liability, for the term
21 of policy or the performance of the insurance organization, by this
22 state, or any of its agencies or any officer or employee thereof.
23 Contracts for such insurance shall be in all respects subject to the
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1 insurance laws of this state, and shall be enforceable solely
2 pursuant to such laws.

3 F. The Oklahoma Employment Security Commission is authorized to
4 deduct from the wages or salary of its employees the employees'
5 contribution to the Oklahoma Employment Security Commission
6 Retirement Plan.

7 G. Payroll deductions shall be made for premium payments for
8 group insurance for retired members or beneficiaries of any state-
9 supported retirement system upon proper authorization given by the
10 member or beneficiary to the board from which the member or
11 beneficiary is currently receiving retirement benefits.

12 H. Upon request of instructional personnel employed at either
13 the Oklahoma School for the Blind or the Oklahoma School for the
14 Deaf and pursuant to procedures established by the Director of the
15 Office of Management and Enterprise Services, the Commission for
16 Rehabilitation Services shall make payroll deductions for membership
17 dues in any statewide educational employee organization or
18 association.

19 I. Upon the request of a state employee of the Department of
20 Corrections, the Department shall make voluntary payroll deductions
21 for the employee to the Correctional Peace Officer Foundation.

22 SECTION 2. This act shall become effective November 1, 2021.
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